



# **Tennessee Board for Licensing Contractors**

## **Information Packet**

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**The information contained within this packet will help ensure that you understand the rules and regulations of the Board for Licensing Contractors.**

**Do not mail back the information packet with your renewal.  
Information is printed on both sides of paper.**

# Renewal Information

## LICENSES MAY BE ISSUED PRIOR TO AUDIT!

Licenses are audited prior to issuance, however, in an effort to renew contractors in a timely manner in the case of a back-log, renewal applications may also be issued prior to a complete audit, provided the renewal application is complete: contains a financial statement, workers compensation/general liability information, fees and/or late fees. Therefore, you MAY receive your license certificate with a new, current expiration date. However, if after the complete audit, additional information is needed to fulfill the renewal requirements, you will be sent a letter requesting that information to be submitted to the Board within 30 days.

**Failure to respond to this request within 30 days will cause your license status to be changed to “Denied”!** Contractors continuing to operate with a “Denied” status will be considered as operating as an unlicensed contractor.

Contractors, who fail to respond to this request after 12 months from their expiration date, must reinstate through the new application license procedures. Contractors with a “Denied” status, less than 12 months, would simply need to comply with the requested information in order to return to active status.

Contractors may check the contractors’ license search to review their status at: <http://licsrch.state.tn.us/>

### **The following are the most common problems which will prevent a license from being renewed:**

- Financial Statement
  - Not in the exact name as licensed
  - Not current (more than 14 months)
  - Working capital and/or net worth does not support monetary limit
    - Must submit agreement to lower limit
    - Needs a personal financial statement and guaranty agreement
    - Line of Credit (do not put on financial statement) needed to supplement negative working capital
- Insurance (Workers Compensation and General Liability)
  - Expired coverage
  - Failed to submit proof; has a qualifying agent as an employee
  - Failed to submit the minimum amount of coverage of general liability
- Failed to complete Contractors Affidavit
  - Did not sign or have notarized
  - Did not answer all questions (felony, etc.)
  - Qualifying Agent is someone other than on file
  - Corporation or LLC is inactive with the Secretary of State’s office
- Did not include late fees
  - Late fees assessed at \$20.00 each month
  - Renewal received after the expiration date (must allow 5 to 7 business days)
- 
- Not active with Tennessee Secretary of State
  - All Corporations, LLCs, and Limited Partnerships must be active
  - Secretary of State’s Website: <http://www.tennesseeanytime.org/soscorp/>

Please be sure to check your renewal carefully when submitting in order to prevent contracting in violation of the law, and **mail 30 days prior to expiration date.**

# Financial Statement Instructions for Renewals

**Financial statement-** A balance sheet listing all of the assets and liabilities of the company holding the license;

\*The balance sheet should not contain personal assets or liabilities.

\*A classified balance sheet is preferred over an unclassified balance sheet.

Classified- separates assets and liabilities into current and non-current (long-term)

\*The financial statement must be in **exactly the same name as licensed**.

\*The balance sheet should contain a full date, including the month, day, and year.

**\*\*\*Reviewed Financial Statement** by an actively licensed CPA/PA is required if your monetary limit is **over \$1,500,000**. Must be on GAAP basis, OCBOA financials are not accepted. The reviewed financial statement must contain a signed report page, balance sheet and full disclosure notes. Audited financials are also acceptable.

**\*\*\*A self prepared or compiled financial statement** is acceptable if your monetary limit is **\$1,500,000 or less**.

**\*\*\*If your company is a subsidiary of another company**, the parent company must submit a guaranty agreement and a financial statement.

**\*\*\*A company's financial statement should not include any personal assets or liabilities.\*\*\***

A guide to **classifying assets and liabilities**:

**CURRENT ASSETS** are cash and those assets that are reasonably expected to be realized in cash or sold or consumed **within one year** or within a business's normal operating cycle if it is longer. Generally, current assets include the following:

- Cash and cash equivalents available for current operations
- Marketable securities representing the investment of cash available for current operations, including investments in debt and equity securities classified as trading securities.
- Costs in excess of billings
- Inventories (to include materials and/or houses built for sale). Also, developed lots for sale. Raw, undeveloped land is not a current asset.
- Retirement Plans, specifically an IRA, 401K and Profit Sharing, will be allowed at 50% (**Personal IRA's not allowed on Company Financial Statement**)
- Cash surrender value of life insurance policies (Not face value of life insurance); must attach proof with personal statements, if not prepared by a CPA, if this amount impacts the working capital more than 50%
- Trade accounts receivable, notes and other receivables that are expected to be collected within one year
- Prepaid expenses such as insurance, interest, rents, taxes, etc.

The following are **not current assets**, however, since they generally are not expected to be converted into cash within one year:

- Related party or owners receivables (not allowed as a current asset)
- Cash restricted for special purposes (Restricted cash may be classified as a current asset if it is considered to offset maturing debt that has been properly classified as a current liability, however.)
- Long term investments
- Receivables not expected to be collected within one year
- Land and other natural resources
- Depreciable assets (buildings, equipment, tools, etc.)
- Prepayments or deferred charges that will not be charged to operations within one year
- Notes receivables from stockholders

**CURRENT LIABILITIES** are obligations whose liquidation is reasonably expected to require (a) the use of current assets or (b) the creation of the other current liabilities. Generally, current liabilities include the following:

- Line of Credit balances and credit card balances
- Payables for materials and supplies
- Amounts collected before goods or services are delivered (billings in excess of costs)
- Accruals for wages, salaries, commissions, rents, royalties, and taxes
- Other obligations, **including portions of long-term obligations**, expected to be liquidated within one year\*

\*Current liabilities **do not include** long term notes, bonds and obligations that will not be paid out of current assets.

\*If listing a long term liability you should classify the portion of the liability that is due within one year as a current liability. If no current portion of the liability is listed then a percentage of the liability will be classified as current for the purpose of determining the working capital.

**Supplemental Financial Statements:**

- You may submit a supplemental personal financial statement or parent company’s financial statement, in addition to the required contractor’s financial statement, to help support monetary limit.
- A “Guaranty Agreement” must be signed by the persons listed on the financial statement (including spouse); and/or company officer submitting the supplemental financial statement for corporate entity.
- These supplemental financial statements may be self-prepared or compiled
  - Working capital and net worth are calculated for supplemental financial statements
  - Working Capital is calculated for personal financial statements; these values are then decreased by 50% and added to overall working capital and net worth
  - A negative working capital or net worth is not reduced by 50%
  - Supplemental financial statements may include an investment in the contractors company; however, the board will not allow the value of the investment in the contractors company in calculating overall working capital and net worth
  - Receivables from related parties will not be counted as a current asset (this also applies to the contractor’s financial statement)
  - Retirement plans will be accepted on a personal financial statement as a current asset; however, the value of the retirement plans will be reduced by 50% to account for tax liabilities.

**Line of Credit**

You must submit original letter of credit in board’s format.

- Any changes/omissions will render the line of credit obsolete in calculating working capital.
- Line of credit will be added to overall working capital. (Does not affect net worth)
- If contractor’s financial statement shows a negative working capital, the line of credit amount added to working capital is reduced by 50%

**Related Party Receivables (related party/owner/stockholder)-**

Related Party Receivables are only accepted as a current asset if the related party submits a guaranty agreement and a financial statement which shows they have the ability to pay the receivable within a year.

**Monetary Limit Calculation**

10 Times the lesser of total Working Capital and total Net Worth.

Working Capital = Total Current Assets minus Total Current Liabilities

Net Worth= Total Assets minus Total Liabilities

**Example:** Monetary limit of \$1,000,000 must show Working Capital and Net Worth of at least \$100,000

**Example Monetary Limit Calculation**

This example contains a summary balance sheet for illustrative purposes; a summary balance sheet is not acceptable for complying with the boards requirements.

**Contractor’s Financial Statement**

XYZ Contractor Company (name must be exactly as licensed)	
Balance Sheet	
MM/DD/YYYY	
<b>Assets</b>	
Current Assets	\$14,000
Non-Current Assets	<u>20,000</u>
Total Assets	34,000
<b>Liabilities</b>	
Current Liabilities	16,000
Long-Term Liabilities	<u>10,000</u>
Total Liabilities	26,000
Equity (Net Worth)	<u>8,000</u>
Total Liabilities and Equity	34,000

Working Capital = \$14,000 – 16,000 = **(2,000)** (Parenthesis around number denotes a negative value)

Net Worth = \$34,000 – 26,000 = **8,000**

Supplemental Financial Statement to support monetary limit. (Guaranty Agreement must be properly filled out)

John and Jane Doe (must complete Guaranty Agreement)	
Balance Sheet	
MM/DD/YYYY	
<b>Assets</b>	
Current Assets	\$ 4,000
Non-Current Assets	<u>220,000</u>
Total Assets	224,000
<b>Liabilities</b>	
Current Liabilities	13,000
Long-Term Liabilities	<u>140,000</u>
Total Liabilities	153,000
Equity (Net Worth)	<u>79,000</u>
Total Liabilities and Equity	224,000

Working Capital = \$4,000 – 13,000 = **(9,000)** (Parenthesis around number denotes a negative value)

Net Worth = \$224,000 – 153,000 = **79,000**

The working capital is taken at full value and the net worth is accepted at 50%, both are added to overall values.

The Contractor also submitted a properly completed Letter of Credit from a Bank for **\$100,000**.

This letter of credit is reduced by 50% due to a negative contractor's working capital.

Total Working Capital = **(2,000) + (9,000) + 50,000** (50% of Line of Credit) = **\$39,000**

Total Net Worth = **\$8,000 + 39,500** (50% of Personal Financial statement) = **\$47,500**

These values support a maximum Monetary Limit of **\$390,000** (10 times lesser of W/C and N/W)

### SUPPLEMENTAL FINANCIAL INFORMATION

Contractors with limits of **\$1,500,000 OR LESS** may prepare their own financial statement. If your monetary limit is **GREATER THAN \$1,500,000**, you **MUST** attach your CPA's or Licensed PA's **REVIEWED OR AUDITED** financial statement.

**FINANCIAL STATEMENT's** must be submitted in the **EXACT** name as licensed. If you are licensed as John Doe Construction Company LLC, your financial statement must be in the name of John Doe Construction Company LLC.

**MONETARY LIMIT;** Your financial statement must show 10% of your monetary limit in working capital and 10% of your monetary limit in net worth. For example, a \$1,000,000 license requires a working capital of at least \$100,000 and a net worth of at least \$100,000. **WORKING CAPITAL** is current assets minus current liabilities; **NET WORTH** is total assets minus total liabilities. An unlimited license requires a working capital of at least \$300,000 and a net worth of at least \$300,000. The monetary limit cannot automatically be increased; must submit revision request. (TCA 62-6-116; Rule 0680-1-.15)

**LINE OF CREDIT (LOC)** may be used to supplement working capital, only. Must be in our format, on Bank's letterhead, exact name as licensed, and the original. If your financial statement shows a negative working capital, only 50% of the LOC (*do not add to financial statement*) amount will be used. (TCA § 62-6-116/ Rule 0680-1-.13)

**GUARANTY AGREEMENT** with a personal financial statement may be used to supplement financial statement. However, only 50% may be used. NOTE: The Guaranty must be signed by both husband and wife, and notarized. If your financial statement does not support your limit, you will be notified by mail to submit additional information or accept a lower license limit. Companies owned by another entity, the parent company must supply financial statement with Guaranty. (TCA § 62-6-116; Rule 0680-1-.13)

**LIFE INSURANCE CASH VALUE** proof is needed if this amount is needed to support working capital and impacts 50% or more of the total, unless the statement is prepared by a CPA.

# GENERAL INFORMATION

## ----- RETIREMENT -----

To retire a license download the retirement form from our website or you may contact the Board office for the application. Retirement fee is \$25 for a one year period, additional fees may apply if license has recently expired. A license expired more for more than 12 months cannot be retired. To bring out of retirement, complete the "Renewal" application and pay renewal fee of \$200.00. Retired licensee must pay retirement renewal fee of \$25.00 annually. License cannot be in retirement more than 7 years. (TCA § 62-6-126)

## ----- REINSTATEMENT -----

A license expired in excess of 12 months, contractor must complete the new license application; expired for more than two years, must request waiver of exams. (TCA 62-6-116(g))

## ----- NAME CHANGE/MODE OF OPERATION CHANGE /TRANSFER -----

Contact the Board office for the appropriate forms to change mode of operation. For example, change to corporation, partnership, Limited Liability Company or sole proprietor. You cannot operate in new mode until license has been approved by the Board. **Do not send requests to change or revise license with renewal.** (TCA §§ 62-6-111, 116)

## ----- CHANGE IN OWNERSHIP OR MERGER -----

License is considered *INVALID and you must apply for a new license.* Contact the Board or review the website for the new license application. If the qualifying agent remains, the exams do not have to be retaken. (TCA § 62-6-111)

## ----- QUALIFYING AGENT -----

The qualifying agent is the Individual who tested or was designated (prior to exams in 1987) on behalf of the company. Should this person leave, must notify Board within 10 days; the company has 90 days to designate another and supply the "Add or Change Qualifying Agent" form with exam scores. After 90 days, the license is considered invalid until replaced. If the classification does not require a trade exam, must supply the "Add or Change Qualifying Agent" form with a list of their experience and any required certifications. It is the Board's policy that the "Business and Law" does not have to be retaken, unless there are complaints, citations, or judgments against the company. (TCA § 62-6-115/Rule 0680-1-.23)

## ----- GENERAL LIABILITY INSURANCE -----

Effective July 1, 2007, **all** contractors must provide a **certificate of general liability insurance** (see page 4 of renewal application).

## ----- INCREASING MONETARY LIMIT -----

You must complete the increase request forms (available on our website) and provide the appropriate CPA prepared financial statement in order to increase your monetary limit. An audited financial statement is required to increase your monetary limit above \$1,500,000. Any increase request of \$1,500,000 or less requires a reviewed financial statement. **Do not send increase request with renewal application.**

## ----- REVISIONS -----

Do not send revision requests with your renewal! For forms to apply for changes, contact our office or review our website for forms, such as: "**INCREASE REQUEST**" or "**ADD CLASSIFICATION**" or "**CHANGE IN MODE**", etc.

## ----- ADDRESS CHANGE -----

Written notification of address change must be submitted within 30 days of the change (Rule 0680-1-.08).

## ----- FEES -----

The Board office cannot accept fees. Renewals with fees must be sent to the mailing address. Hand delivered renewals and fees must be turned in to the "Cashier's Office" (separate from board office).

## ----- CONFIDENTIAL INFORMATION -----

Financial statements are considered confidential and may not be released to the public. Guaranty Agreements are not confidential. In addition, for public information request for review or copies of files, social security numbers are redacted on all forms.

## ----- NO GRACE PERIOD FOR RENEWALS -----

There is not a grace period to renew; cannot contract or permit until the renewal license has been issued. The law states renewals are **due** in the Board office **30 days prior to expiration**, to prevent contracting unlicensed.

----- **NO EXTENSION LETTERS FOR RENEWAL** -----

The Board for Licensing Contractor's office cannot grant extension letters prior to license renewal. The law states renewals are due in the Board office **30 days prior to expiration**, to prevent contracting unlicensed. In addition, renewal notices are mailed to contractors 90 days prior to the expiration date. In the event you do not receive the renewal notice in the future, or need an additional copy, all renewal forms are available on the website at: <http://www.tennessee.gov/commerce/boards/contractors/>  
Until the license is renewed, you are not considered legal or a properly licensed contractor. Please refrain from bidding or attempting to pull any permits until renewed. You may check the status on the departmental website at: <http://licsrch.state.tn.us/>

----- **RENEWAL LICENSE ISSUED** -----

A renewal is considered complete upon receipt of the fee, correct financial statement supporting monetary limit, required proof of workers compensation insurance and general liability insurance. Upon receipt of your complete renewal, a license will be issued within 30 days (renewals are processed in the order as received). If additional information is needed, which may be after your license was issued, you will be notified to respond or the license will be considered invalid. If you do not receive your renewed license within 30 days, the renewal application may not have contained all required documents and information.

**Please mail your renewal 30 days prior to the expiration date to avoid unlicensed contracting!**

----- **CONTRACTING IN NAME AS LICENSED** -----

You must contract, permit and conduct business in the exact name appearing on your license. Licenses are not transferrable to another entity. Contracting in a name other than as licensed is illegal and is considered unlicensed activity. Should you receive a pre-printed bid submittal form, please make sure the name listed is as licensed. (TCA § 62-6-114, 119/ Rule 0680-1-.25)

----- **BIDDING** -----

Must list license information (name as appears on license, I.D. number, classification, and Expiration date) on the outside of the bid envelope to avoid bid rejection. Also list the same information pertaining to electrical, mechanical, plumbing, HVAC subcontractors; and geothermal TDEC well driller license number and classification (G or L). (T.C.A. § 62-6-119)

----- **FAMILY OWNED BUSINESSES** -----

Please note, should a parent hold the license, family members may not use their parent's license to perform contracting.

----- **WORKERS COMPENSATION INSURANCE** -----

Contractors with one (1) or more employees, such as a qualifying agent who has no ownership interest, must provide proof of workers compensation insurance. The Board for Licensing Contractor's requires the proof of workers compensation insurance to be in the following format:

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

Please include the license ID# on all certificates to ensure they are assigned to the correct contractor. Effective **December 31, 2009**, the new law requires all contractors to submit proof of insurance unless a sole proprietor or partnership without employees and who never acts as a subcontractor. (Public Chapter 1041 - Labor and Workforce /Title 50, Chapter 6)

----- **WEB SITE ADDRESSES** -----

Contractors (Home): <http://tn.gov/commerce/boards/contractors/>  
Secretary of State: <http://www.tennesseeanytime.org/soscorp/> - Use this site to check corporate status or Rules  
License Law: [www.michie.com](http://www.michie.com) Click onto "Tennessee" jurisdiction and Title 62, Chapter 6.

# **SUMMARY OF NEW LAWS, RULES & REGULATIONS**

*Be sure to check the Board's website for new legislation, laws and rules. Attached is an abbreviated summary of changes from the past legislative sessions, not published in the Board's "2007 Edition of Law, Rules and Regulations" or contact the Board for a copy.*

## **PUBLIC CHAPTER NO. 482 (Unlicensed Contractor- Recovery)**

Contractor required to be licensed under this chapter, limited to recovery of expenses.

## **PUBLIC CHAPTER NO. 483 (Contracts - Lien Waiver Rights Prohibited)**

Contractor solicits any person to sign a contract requiring the person to waive a right of lien is in violation.

## **PUBLIC CHAPTER NO. 529 (TN Clean Energy Future Act of 2009 / Statewide Code)**

State fire marshal shall enforce the statewide codes with regard to those buildings for which the local jurisdiction has not adopted...

## **PUBLIC CHAPTER NO. 792 (Geothermal HVAC Projects) July 1, 2008**

Section 62-6-119 - Requires Tennessee Department of Environment and Conservation (TDEC) license number, classification (G, L or G,L) and the expiration date to be listed on the outside of bid envelope.

## **PUBLIC CHAPTER NO. 904 (Non-Reciprocal States) July 1, 2008**

Section 62-6-111(a) – License required to perform work if domiciled in a non-reciprocal state (\$2,500).

## **PUBLIC CHAPTER NO. 804 (Retainage) July 1, 2008**

Section 66-11-144(g), Applicable to all prime contracts and all subcontracts for the improvement of real property when the contract amount of such prime contract is (\$500,000) or greater.

## **PUBLIC CHAPTER NO. 861(Public Member Appointment) April 21, 2008**

Section 62-6-104(a)(1) A person not engaged as a contractor; no significant financial interest in residential.

## **SENATE BILL 4039 (Energy Efficient Schools Initiative)**

Title 4 and Title 49, relative to creating the Energy Efficient Schools Initiative (EESI).

## **PC 1041 / HOUSE BILL NO. 1645 (Workers Compensation) December 31, 2009**

50-6-113, (A) Any person engaged in the construction industry, including principal contractors, intermediate contractors and subcontractors shall be required to carry workers' compensation insurance. (B) Notwithstanding subdivision (A) above, a sole proprietor or partner engaged in the construction industry shall not be required to carry workers' compensation on themselves if they are doing work directly for the owner of the property pursuant to subdivision (f)(1)(C), but shall be required to carry workers' compensation insurance on any subcontractor, employee or worker not otherwise covered by a policy of workers' compensation; however, if a sole proprietor or partner is working as an intermediate contractor or subcontractor contractor then workers' compensation insurance shall be required on themselves.

Note: Sole proprietors and partnerships, regardless if they have no employees, must have workers compensation insurance on themselves to work directly for the owner. Therefore, proof must be provided for all licensees as part of the requirements to obtain a contractor's and home improvement license under T.C.A. § 62-6-111; 116; and 506. More information is available with the Department of Labor and Workforce Development at: <http://www.state.tn.us/labor-wfd/wcomp.html>

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## **RULE 0680-1-.25**

Must contract in the name as licensed. (*Clarification of T.C.A. 62-6-114 and 119*)

Note: This is a summary and may review complete contents of the laws passed with the Tennessee General Assembly at: <http://www.legislature.state.tn.us/> or the Rules at: <http://www.state.tn.us/sos/rules/>

The Tennessee Department of Commerce and Insurance is committed to principles of equal access and affirmation action. Contact the EEO or ADA Coordinator at (615) 741-2177.

**NOTE: IF YOUR RENEWAL IS SUBMITTED INCOMPLETE, YOU MAY BE SENT A LETTER FROM THE RENEWAL SECTION REQUESTING ADDITIONAL INFORMATION FROM THE LIST BELOW:**

**\*REFERENCE PAGE\***

**A** \_\_\_ The Board requires a **Certificate of Insurance** for \_\_\_ **General Liability and/or** \_\_\_ **Worker's Compensation** showing the Board as the holder, policy number and expiration date. Binders are not accepted. **Please contact your insurance agent to obtain the certificate.** "Named Insured" box should match the name on the license. Full coverage insurance is required and means that all limits must have a dollar figure associated with them. The **"Each Occurrence" limit** is the one used to determine sufficient coverage. For monetary limits up to \$500,000 you must have at least \$100,000 in each occurrence, for monetary limits of \$500,001 to \$1,500,000 you must have at least \$500,000, for monetary limits over \$1,500,000 you must have at least \$1,000,000 coverage.

**B** \_\_\_ The Board requests a **financial statement to be submitted in exactly the same name as on the license** with a **complete date to include month, day, and year.** To find out the exact name which is required, you may refer to your wall certificate; or visit our website at: <http://licsrch.tn.gov>; or refer to the pre-typed label on your renewal cover; or you may contact our office.

**C** \_\_\_ The Board requests a **"Reviewed" or "Audited" financial statement.** This financial statement must be prepared by a CPA or LPA. The accountant's report and notes must be submitted in addition to the balance sheet.

**D** \_\_\_ The Board requests a **company only financial statement.** LLC's, Corporations, and Partnership financial statements should contain only assets and liabilities of the LLC, Corporation, or Partnership. The most common mistake is placing retirement accounts onto a company financial statement. This applies even if you are the sole owner of the LLC or Corporation.

**E** \_\_\_ The Board requests the **"Contractor's Affidavit"** to be completed in its entirety. Any questions that do not apply please mark N/A within the space provided. The affidavit must be notarized and the seal must be visible.

**F** \_\_\_ The Board requests the **Line of Credit** submitted to be in the Board's format. No changes are allowed to the context of the paragraphs. The name on the Line of Credit is required to be exactly as it appears on the license. The Board requires the original to be submitted. (Faxed copies are not accepted)

**G** \_\_\_ The Board requests late fees to be paid in the amount of \$20 for every month past your expiration date up to 12 months. Renewal rights lost after 12 months past expiration. The current amount late amount owed is \$ \_\_\_\_\_, an additional \$20 is required if the additional fee is not received by the end of the month. Note: Fees cannot be accepted at the Board's physical office; must submit to the Cashier's Office at the above mailing address.

**H** \_\_\_ The Board requests the renewal fee in the amount of \$200. If the \$200 is submitted after your expiration date; \$20 per month is also required. Note: Status on website will show license as "Delinquent" until license has been issued.

**I** \_\_\_ The Board requests the **"Guaranty Agreement"** to be fully completed. An individual submitting a guaranty should sign as "Corporate Official or Personal Guarantor" and check the appropriate section. The spouse's signature is required on personal guaranty's; their signature is needed as "Additional Personal Guarantor or Spouse" section. The guaranty agreement must have the contractor's name as licensed and must be notarized with a visible seal.

**J** \_\_\_ The Board requests a personal financial statement and guaranty agreement due to low or negative net worth.

**K** \_\_\_ The Board requests a letter of explanation of registration with Secretary of State as an LLC or Corporation (which ever is applicable) or you may file for a change (transfer) in mode of operation. (For your convenience, transfer/change forms are enclosed). You may not operate in the new mode until the license is approved by the Board.

**L** \_\_\_ The Board requests that you become active with the Tennessee Secretary of State's office and provide proof. Their office telephone number is (615)741-2286.

STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE & INSURANCE  
DIVISION OF REGULATORY BOARDS  
BOARD FOR LICENSING CONTRACTORS  
500 JAMES ROBERTSON PKWY., DAVY CROCKETT TOWER  
NASHVILLE, TN 37243-1150

***\*Office Location Change\****

*FYI – Mailing address and cashier’s office remains the same as listed on cover (page 1 of renewal), at 500 James Robertson Parkway; however, our physical address is located adjacent to the mailing address of the Davy Crockett Tower, we are at the Andrew Johnson Tower, and cannot accept deliveries or fees at our physical location. Please check the Board’s website at <http://tennessee.gov/commerce/boards/contractors/>*