

**RULES
OF
TENNESSEE BOARD FOR LICENSING CONTRACTORS**

**CHAPTER 0680-01
LICENSING**

TABLE OF CONTENTS

0680-01-.01	Application for License	0680-01-.17	Repealed
0680-01-.02	Consideration of Applications	0680-01-.18	Unlawful Bidding
0680-01-.03	Special Meetings	0680-01-.19	Civil Penalties
0680-01-.04	Repealed	0680-01-.20	Fees
0680-01-.05	Repealed	0680-01-.21	Citation Penalties
0680-01-.06	Reinstatement of Invalid License	0680-01-.22	Exemption
0680-01-.07	Repealed	0680-01-.23	Requalification of Agent
0680-01-.08	Change of Address or Officers	0680-01-.24	Bidding Procedures
0680-01-.09	Change in Mode of Operation	0680-01-.25	Contracting in Correct Name; Change of Name
0680-01-.10	Renewal of Licenses	0680-01-.26	License Required for Property Owners
0680-01-.11	Joint Ventures	0680-01-.27	Misconduct
0680-01-.12	General and Specialty Classifications	0680-01-.28	Temporary Licensing
0680-01-.13	Monetary Limitations	0680-01-.29	Limited Residential License
0680-01-.14	Request for Change of Classifications or Limitation	0680-01-.30	Expedited Procedure for Military Personnel and Spouses
0680-01-.15	Review and Adjustment of Classifications and Monetary Limitation	0680-01-.31	Incompetency and Gross Negligence
0680-01-.16	Appendix A of Rule 0680-01-.12 (Classification System)		

0680-01-.01 APPLICATION FOR LICENSE.

- (1) Any application for a license as a contractor shall be accompanied by:
 - (a) A non-refundable fee in the amount stated in Rule 0680-01-.20.
 - (b) References from either a past client, employer or codes official.
 - (c) A questionnaire form covering finances, equipment, and experience.

Authority: T.C.A. §§ 62-6-108 and 62-6-111. **Administrative History:** Original rule filed July 22, 1974; effective August 21, 1974. Amendment filed January 20, 1977; effective February 19, 1977. Amendment filed May 19, 1980; effective July 3, 1980. Amendment filed September 16, 1981; effective November 2, 1981. Amendment filed June 28, 1984; effective July 28, 1984. Amendment filed July 14, 1989; effective August 28, 1989. Amendment filed January 31, 1996; effective April 16, 1996.

0680-01-.02 CONSIDERATION OF APPLICATIONS.

- (1) All applications for licenses will be considered at the regular meetings of the Board. Such meetings shall be held in Nashville, Tennessee, in the months of January, March, May, July, September and November; provided, however, that the Board may change the location of meetings at its discretion. Applicants will receive adequate notice of any such change.
- (2) At each regular meeting the Board will consider applications which have been properly completed and received in the Office of the Board by the twentieth (20th) day of the preceding month, however, this deadline may be waived for good cause shown. The Board reserves the right to consider an application for license at any time if consideration of the application at the regularly scheduled meeting would cause an undue hardship on the owner and be in the best interest of the public safety and welfare.

(Rule 0680-01-.02, continued)

- (3) In order to obtain a certification authorizing the applicant to operate as a contractor, the following persons, otherwise known as the qualifying agent, must obtain a successful score on the examination in the appropriate classification, and must meet all Board requirements for a qualifying agent, and may be required to appear before the Board for an interview:
- (a) For a sole proprietorship - either the individual owner or full time employee with a written power of attorney to bind the sole proprietor, who has sufficient knowledge of the construction business in which the persons are licensed to perform.
 - (b) For any partnership - either a general partner or full time employee with written power of attorney to bind the partnership, who has sufficient knowledge of the construction business in which the persons are licensed to perform.
 - (c) For any corporation - either a major stockholder (owning at least 20% of stock) or full time employee with written power of attorney to bind the corporation, who has sufficient knowledge of the construction business in which the persons are licensed to perform.
 - (d) For any limited liability company - either a manager, member or full-time employee with a written power of attorney to bind the organization, who has sufficient knowledge of the construction business in which the persons are licensed to perform.
 - (e) The Board must be notified within ten (10) days of the death, resignation, termination, or incapacity of a qualifying agent. If the qualifying agent for the sole proprietorship, partnership, corporation, or limited liability company leaves the firm for any reason, a new qualifying agent must take the examination and be appointed within three (3) months. If not, the license becomes inactive until a new qualifying agent is appointed.
 - (f) The license of an individual, sole proprietorship or partnership shall automatically become inactive three (3) months after the death of the individual, individual owner, or the sole proprietorship, or partner unless another person or entity has applied to transfer/change ownership of the license.
 - (g) If anyone other than an individual with an ownership interest acts as a qualifying agent, then an owner or officer with an ownership interest or power of attorney must also appear along with the qualifying agent for interview before the Board.

Authority: T.C.A. §§ 62-6-108, 62-6-111, and 62-6-115. **Administrative History:** Original rule filed July 22, 1974; effective August 21, 1974. Amendment filed January 20, 1977; effective February 19, 1977. Amendment filed May 19, 1980; effective July 3, 1980. Amendment filed June 28, 1984; effective July 28, 1984. Amendment filed October 16, 1985; effective November 15, 1985. Amendment filed January 31, 1996; effective April 16, 1996. Amendment filed September 12, 2005; effective November 26, 2005. Amendments filed June 8, 2017; to have been effective September 6, 2017. However, the Government Operations Committee filed a 45-day stay of the effective date of the rules on August 17, 2017; new effective date October 21, 2017.

0680-01-.03 SPECIAL MEETINGS.

Special meetings of the Board may be held at the call of the Chairman or three (3) members of the Board.

Authority: T.C.A. §§ 62-108 and 62-609. **Administrative History:** Original rule filed July 22, 1974; effective August 21, 1974. Amendment filed January 20, 1977; effective February 19, 1977. Amendment filed May 19, 1980; effective July 3, 1980. Amendment filed January 31, 1996; effective April 16, 1996.

0680-01-.04 REPEALED.

Authority: T.C.A. § 62-609. **Administrative History:** Original rule filed July 22, 1974; effective August 21, 1974. Repeal and new rule filed January 20, 1977; effective February 19, 1977. Amendment filed May 19, 1980; effective July 3, 1980. Repeal filed January 31, 1996; effective April 16, 1996.

0680-01-.05 REPEALED.

Authority: T.C.A. §§ 62-6-108, 62-609, and 62-614. **Administrative History:** Original rule filed July 22, 1974; effective August 21, 1974. Repeal and new rule filed January 20, 1977; effective February 19, 1977. Amendment filed May 19, 1980; effective July 3, 1980. Amendment filed September 16, 1981; effective November 2, 1981. Repeal filed July 14, 1989; effective August 28, 1989.

0680-01-.06 REINSTATEMENT OF INVALID LICENSE.

- (1) After a license has been expired seven (7) calendar days the holder thereof must comply with the following requirements:
 - (a) Expired (one-twelve months) - a ten percent (10%) penalty fee will be assessed each month to the renewal fee, up to twice the normal fee;
 - (b) Expired more than one (1) year - follow new application requirements.

Authority: T.C.A. §§ 62-6-108 and 62-6-116. **Administrative History:** Original rule filed July 22, 1974; effective August 21, 1974. Repeal and new rule filed January 20, 1977; effective February 19, 1977. Amendment filed May 19, 1980; effective July 3, 1980. Amendment filed June 28, 1984; effective July 28, 1984. Amendment filed October 16, 1985; effective November 15, 1985. Amendment filed January 31, 1996; effective April 16, 1996.

0680-01-.07 REPEALED.

Authority: T.C.A. § 62-609. **Administrative History:** Original rule filed July 22, 1974; effective August 21, 1974. Repeal and new rule filed January 20, 1977; effective February 19, 1977. Repeal filed May 19, 1980; effective July 3, 1980.

0680-01-.08 CHANGE OF ADDRESS OF OFFICERS.

A licensee shall notify the Office of the Board in writing within thirty (30) days of any change of address or (in the case of a corporation) officers.

Authority: T.C.A. § 62-609. **Administrative History:** Original rule filed July 22, 1974; effective August 21, 1974. Repeal and new rule filed January 20, 1977; effective February 19, 1977. Amendment filed May 19, 1980; effective July 3, 1980. Amendment filed September 16, 1981; effective November 2, 1981.

0680-01-.09 CHANGE IN MODE OF OPERATION.

- (1) Whenever a partnership licensed as a contractor dissolves, no former member of the partnership shall further undertake contracting before filing a new application with the board and receiving a license.
- (2) In the case of a merger, purchase by non-stockholders of the majority interest, reorganization pursuant to a bankruptcy proceeding, or any other type of change in mode of operation of an entity engaged in contracting, the entity shall make written application to the Board and obtain a new license before further undertaking contracting.

(Rule 0680-01-.09, continued)

- (3) Individuals or entities seeking a new license pursuant to T.C.A. § 62-6-111(f) or (g) shall submit a letter which addresses the requirements of that section. In addition, the applicant shall submit an affidavit that all liabilities of the entity were satisfied or will be satisfied by the individual or entity.
- (4) In the event of a change in mode of operation as outlined in T.C.A. § 62-6-111(e), the qualified agent or majority stockholder must appear before the Board unless specifically waived by the Board.
- (5) In the event of any change in mode of operation, the licensed entity in question shall have ninety (90) days from the date of the change in mode of operation to submit either an application for a mode change, if there are no changes in ownership or officers, or a new application if there are such changes. The entity may not bid on or enter into new contracts until a new or revised license has been issued; however, the entity may continue to work on already existing contracts that were entered into prior to the change in mode of operation, provided the application is made within the ninety (90) day period.

Authority: T.C.A. §§ 62-6-103, 62-6-108, 62-6-111, and 62-6-115. **Administrative History:** Original rule filed July 22, 1974; effective August 21, 1974. Repeal and new rule filed January 20, 1977; effective February 19, 1977. Amendment filed May 19, 1980; effective July 3, 1980. Amendment filed June 28, 1984; effective July 28, 1984. Amendment filed January 31, 1996; effective April 16, 1996. Repeal and new rule filed July 25, 2011; effective October 23, 2011.

0680-01-.10 RENEWAL OF LICENSES.

Any person, firm or corporation desiring to renew a license shall make application to the Board on the prescribed forms. A renewal application for a monetary limitation greater than one million five hundred thousand dollars (\$1,500,000) must be accompanied by a reviewed or audited financial statement prepared by a licensed accountant. If a renewal applicant requests a monetary limitation of one million five hundred thousand dollars (\$1,500,000) or less, he or she may submit a notarized statement that the information contained in his or her financial statement is true and correct.

Authority: T.C.A. §§ 62-6-108, 62-6-111, and 62-6-116. **Administrative History:** Original rule filed July 22, 1974; effective August 21, 1974. Repeal and new rule filed January 20, 1977; effective February 19, 1977. Amendment filed May 19, 1980; effective July 3, 1980. Amendment filed September 16, 1981; effective November 2, 1981. Amendment filed June 28, 1984; effective July 28, 1984. Amendment filed January 31, 1996; effective April 16, 1996. Amendment filed April 28, 2008; effective July 12, 2008.

0680-01-.11 JOINT VENTURES.

- (1) A joint venture provides a means by which licensed contractors may combine their monetary limitations in order to undertake a larger project than each would otherwise be able to perform as separate contractors. No contractor may participate in a joint venture unless:
 - (a) He is licensed in a classification which is a necessary and integral part of the total project; and
 - (b) The monetary limitation on such classification is equal to or greater than the portion of the total cost of the project involving that classification.

Authority: T.C.A. § 62-6-09. **Administrative History:** Original rule filed July 22, 1974; effective August 21, 1974. Repeal and new rule filed January 20, 1977; effective February 19, 1977. Amendment filed May 19, 1980; effective July 3, 1980.

0680-01-.12 GENERAL AND SPECIALTY CLASSIFICATIONS.

- (1) The Board will utilize the system of general and specialty classifications of contracting set forth in Appendix A of this rule. However, in view of the increasing specialization and technological advances in the construction industry, the Board reserves the right to depart from the classification system in appropriate individual cases.
 - (a) A contractor licensed in one or more sub-classifications under a general construction classification may perform work in such sub-classification(s) under any other general construction classification, provided that such work:
 1. Is consistent with established usage and procedures in the construction business; and
 2. Is related to that which he is licensed to perform.Generally, for purposes of determining the classifications in which an applicant is qualified to engage, the Board will primarily consider whether or not the applicant:
 - (2) Has adequate experience in the classifications requested; (2) has an established plant (office; warehouse; equipment areas) from which his business is conducted; and (3) has (or has the ability to acquire) the necessary equipment for the classifications requested, and the experience to operate such equipment. The "experience" of an applicant will be considered to be that of one or more of the partners in the case of a partnership applicant; and one or more of the officers in the case of a corporate applicant.

Authority: T.C.A. § 62-609. **Administrative History:** Original rule filed July 22, 1974; effective August 21, 1974. Repeal and new rule filed January 20, 1977; effective February 19, 1977. Amendment filed May 19, 1980; effective July 3, 1980.

0680-01-.13 MONETARY LIMITATIONS.

- (1) Generally, the monetary limitation placed on a classification of a license may be determined as follows:
 - (a) For applicants having no apparent deficiency with respect to plant or equipment, the lesser of:
 1. Ten (10) times the applicant's net worth; or
 2. Ten (10) times the applicant's working capital. Accounts receivable that are more than three (3) months overdue may not be included within the calculation of working capital.
 - (b) At the Board's discretion, renewal applicants having no apparent deficiency with respect to plant or equipment, but with limited working capital, the greater of:
 1. Ten (10) times the applicant's working capital; or
 2. Fifty percent (50%) of the applicant's net worth.
 - (c) For other applicants, a lesser amount reflecting the degree of lack of plant or equipment.
- (2) Lines of credit and indemnities (on forms furnished by the Board) may be considered to raise a monetary limitation. Lines of credit may be added up to its full value to the working capital.

(Rule 0680-01-.13, continued)

Credit for indemnities will be limited to fifty percent (50%). However, if the applicant has a negative working capital, lines of credit will be recognized at fifty percent (50%) of value.

- (3) A Guaranty Agreement, line of credit, bond, or other indemnity may be required in addition to the financial statement in the following situations,
 - (a) Applicants that have a primarily cash financial statement without fixed assets and;
 - (b) If an applicant company is completely or partly owned by a parent company then the Board may require the parent company to provide a financial statement along with a "Guaranty Agreement" in which the parent company agrees to guarantee the debts and obligations of the subsidiary company for all debts and obligations arising out of the contracting activities of the applicant. If the parent company cannot provide a "Guaranty Agreement" they may request the board to consider a bond in the Board's format. This bond would not be accepted in lieu of providing a financial statement.
- (4) A Guaranty Agreement may be utilized when an applicant wishes to supplement the working capital and/or net worth portion of their financial statement. The guarantor must submit a personal financial statement with a personal guaranty agreement.
- (5) The Board reserves the right to accept or decline Guaranty Agreements as a supplement to applicant financial statements depending on the individual circumstances of each application.
- (6) If a guarantor's spouse is named on the financial statement submitted with the Guaranty Agreement then the named spouse must also sign the Guaranty Agreement.
- (7) All Guaranty Agreements shall expire on the same date as the license that the agreement was provided to support.
- (8) Subject to such tolerance, no contractor shall engage, or offer to engage, in any project of which the cost (including all material and labor furnished by or through another source other than the owner) would exceed the monetary limitation placed on his license. If a contractor holds a license with more than one classification with different monetary limits, the monetary limits shall not be combined to bid a project.
 - (a) A tolerance of ten percent (10%) of the monetary limit is allowed, except for the BC-A/r licensees.
- (9) Where an applicant can demonstrate having a minimum working capital and net worth of three hundred thousand dollars (\$300,000) or more, the Board may, in its discretion, award the applicant an unlimited license, allowing the contractor to bid or offer to contract on any project within a classification the contractor is licensed of any size that the contractor can financially support.

Authority: T.C.A. §§ 62-6-108, 62-6-111, and 62-6-116. **Administrative History:** Original rule filed July 22, 1974; effective August 21, 1974. Repeal and new rule filed January 20, 1977; effective February 19, 1977. Amendment filed May 19, 1980; effective July 3, 1980. Amendment filed September 16, 1981; effective November 2, 1981. Amendment filed October 16, 1985; effective November 15, 1985. Amendment filed January 31, 1996; effective April 16, 1996. Repeal and new rule filed October 9, 2012; effective January 7, 2013. Amendments filed June 8, 2017; to have been effective September 6, 2017. However, the Government Operations Committee filed a 45-day stay of the effective date of the rules on August 17, 2017; new effective date October 21, 2017. Amendments filed March 22, 2018; effective June 20, 2018.

0680-01-.14 REQUEST FOR CHANGE OF CLASSIFICATION OR LIMITATION.

- (1) Request for Change of Classification or Limitation. A licensee may request the Board to consider revision of his classification(s) and/or monetary limitation(s) at any of its regular meetings. Such request shall be made by letter, which shall be accompanied by financial, equipment, and experience statements relative to the classification request accurate as of no more than twelve 12 months prior to the date of the request. The request must be received in the Office of the Board by the last day of the month preceding the month in which it is to be considered.
- (2) A request for a change in monetary limitation to be less than one million five hundred thousand dollars (\$1,500,000) shall be reviewed or audited by a licensed accountant or certified public accountant. A request for a change in monetary limitation to more than one million five hundred thousand dollars (\$1,500,000) shall be audited and attested to by a licensed public accountant or certified public accountant.
- (3) The Board reserves the right to require examination pursuant to request for change of classifications. The Board further reserves the right to consider a request for change of classification or limitation at any time if consideration of the request at the regularly scheduled meeting would cause an undue hardship on the owner and be in the best interest of the public safety and welfare.
- (4) Increases within the first year will not be allowed without special permission from the Board.

Authority: T.C.A. §§ 62-6-108 and 62-6-111. **Administrative History:** Original rule filed July 22, 1974; effective August 21, 1974. Repeal and new rule filed January 20, 1977; effective February 19, 1977. Amendment filed May 19, 1980; effective July 3, 1980. Amendment filed September 16, 1981; effective November 2, 1981. Amendment filed June 28, 1984; effective July 28, 1984. Amendment filed January 31, 1996; effective April 16, 1996. Amendment filed April 28, 2008; effective July 12, 2008.

0680-01-.15 REVIEW AND ADJUSTMENT OF CLASSIFICATIONS AND MONETARY LIMITATIONS.

- (1) The Board may require that financial statements submitted by contractors in conjunction with an application for renewal of a license or a request for change of classification(s) or limitation(s) be examined by the Comptroller of the Treasury of his designated representative. The Board may, because of the results of an audit, changing financial conditions, or any other relevant factors:
 - (a) Require the submission of additional financial information prior to acting on a renewal application or request for change of classification(s) or limitation(s); and (2) change the general or specialty classifications or monetary limitations of any license when in the public interest. However, before changing adversely the classification(s) and/or monetary limitation(s) of any license, the Board shall afford the licensee the opportunity for a hearing to show cause why such action should not be taken.

Authority: T.C.A. §§ 62-609, 62-612, and 62-617. **Administrative History:** Original rule filed July 22, 1974; effective August 21, 1974. Repeal and new rule filed January 20, 1977; effective February 19, 1977. Amendment: filed May 19, 1980, effective July 3, 1980.

0680-01-.16 APPENDIX A OF RULE 0680-01-.12 (CLASSIFICATIONS SYSTEM).

Outline of Classifications

BC – Building Construction

(Rule 0680-01-.16, continued)

- A. Residential-"Residential building contractors" are those whose services are limited to construction, remodeling, repair, or improvement of one (1), two (2), three (3), or four (4) family unit residences not exceeding three (3) stories in height and accessory use structures in connection therewith.
1. Limited Residential (r)-A limited residential contractor is authorized to bid on and contract for the construction, remodel, repair, or improvement of a single family dwelling the total cost of which does not exceed one hundred twenty five thousand dollars (\$125,000.00).
- B. Commercial-A commercial building contractor is authorized to bid on and contract for the construction, erection, alteration, repair or demolition of any building or structure for use and occupancy by the general public, including residential construction with more than four (4) units or greater than three (3) stories in height.
2. Small Commercial (b)-A small commercial building contractor is authorized to bid on and contract for the construction, erection, alteration, repair or demolition of any building or structure for use and occupancy by the general public the total cost of which does not exceed seven hundred and fifty thousand dollars (\$750,000.00).
- C. Industrial-A contractor under this classification is authorized to bid on and contract for the erection, alteration, repair and demolition of buildings or structures used for industrial production and service, such as manufacturing plants.

Building Categories

1. Each building category may apply to any major construction classification.
2. Pursuant to T.C.A. § 62-6-113, a contractor may not be licensed in six (6) or more categories under any one (1) major classification without successfully passing the written or oral examination, or both, for the major classification.
 1. Acoustical Treatments
 2. Carpentry, Framing and Millwork, etc.
 3. Drywall
 4. Floor Covering
 5. Foundations
 6. Glass, Window and Door Construction
 7. Institutional and Recreational Equipment
 8. Lathe, Plaster, Stucco, and Aluminum Siding
 9. Masonry - under one hundred thousand dollars (\$100,000.00), materials and labor
 10. Ornamental and Miscellaneous Metal
 11. Painting, Interior Decorating
 12. Roof Decks
 13. Site and Subdivision Development

(Rule 0680-01-.16, continued)

14. Special Coatings and Waterproofing
15. Tile, Terrazzo and Marble
16. Insulation
17. Elevators, Escalators, and Dumbwaiters
18. Erection and Fabrication of Structural Steel
19. Concrete
20. Sheet Metal
21. Roofing - includes gutters and vinyl siding
22. Conveyors
23. Sandblasting
24. Golf Courses
25. Tennis Courts
26. Swimming Pools
27. Outdoor Advertising
28. Excavation
29. Landscaping
30. Fencing
31. Demolition
32. Millwright
33. Irrigation
34. Scaffolding

HC – Heavy Construction

- A. Marine
(Wharves, Docks, Harbor Improvements and Terminals)
- B. Tunnel and Shaft
- C. Energy and Power Plants
- D. Dams, Dikes, Levees and Canals
- E. Mining Surface and Underground

(Rule 0680-01-.16, continued)

- F. Oil Field Construction
- G. Oil Refineries
- H. Storm Damage Cleanup
- I. Landfill Construction

Heavy Construction Categories (Apply to All Areas)

- 1. Structural Steel Erection
- 2. Tower and Stack Construction
- 3. Foundation Construction, Pile Driving, Foundation Drilling, and Stabilization
- 4. Demolition and Movement of Structures
- 5. Clearing, Grubbing, Snagging and Rip Rap
- 6. Slipform Concrete Structures
- 7. Rigging and Crane Rigging
- 8. Welding

HRA - Highway, Railroad and Airport Construction

- A. Grading and Drainage-Includes grading, drainage pipe and structures, clearing and grubbing.
- B. Base and Paving
 - 1. Base Construction
 - 2. Hot and Cold Mix Asphalt
 - 3. Surface Treatment Asphalt
 - 4. Concrete Paving
- C. Bridges and Culverts
 - 1. Painting
 - 2. Repair
 - 3. Demolition
 - 4. Bridge Deck Overlay (Sealant)
 - 5. Gunite
 - 6. Cofferdam
 - 7. Steel Erection

(Rule 0680-01-.16, continued)

D. Railroad Construction and Related Items

E. Miscellaneous and Specialty Items

1. Traffic Safety

(a) Pavement Markers

(b) Signing

(c) Guardrail and Fencing

(d) Attenuators, signalization and roadway lighting

2. Landscaping-Includes seeding, sodding, planting, and chemical weed and brush control.

3. Pavement Rehabilitation-Includes pressure grouting, grinding and grooving, concrete joints, and underdrains.

4. Well Drilling

5. Miscellaneous Concrete-Includes sidewalks, driveways, curb and gutter, and box culverts.

MU – Municipal and Utility Construction

Municipal and Utility Construction includes all supervision, labor, material and equipment to complete underground piping, water and sewer plants and sewer disposal, grading and drainage, and paving (unless restricted to specific areas named).

A. Underground Piping-Furnish supervision, labor, material and equipment to complete all underground piping for municipal and utility construction (unless restricted to specific areas names).

1. Gas Distribution and Transmission Lines

2. Sewer Lines, Storm Drains, Rehabilitation and Structures

3. Waterlines

4. Underground Conduit

B. Water and Sewer Systems*-*Classification BC-B is necessary in order to construct water and sewer plants.

C. Grading and Drainage-Includes grading, drainage pipe and structures, clearing and grubbing.

D. Base and Paving

1. Base Construction

2. Hot and Cold Mix Asphalt

3. Surface Treatment Asphalt

4. Concrete Pavement

(Rule 0680-01-.16, continued)

5. Miscellaneous Concrete (includes sidewalks, driveways, curb and gutter, and box culverts)

MC (CMC) – Mechanical Contracting (the classification CMC is noted on licenses issued after 1992 and represents that the licensee has passed the Board licensing exam and that no county or municipality shall require such state licensee or its employees to pass any county or municipal test or examination pursuant to T.C.A. § 62-6-111(i)(2)(C)).

- A. Plumbing and Gas Piping
- B. Process Piping
- C. HVAC, Refrigeration, Gas Piping
- D. Sprinklers & Fire Protection
- E. Insulation of Mechanical Work
- F. Pollution Control
- G. Pneumatic Tube Systems
- H. Temperature Controls (Pneumatic/Electric)
- I. Boiler Construction & Repairs
- J. Fuel Gas Piping and Systems

LMC - Licensed Masonry Contractor

E (CE) - Electrical Contracting (the classification CE is noted on licenses issued after 1992 and represents that the licensee has passed the Board licensing exam and that no county or municipality shall require such state licensee or its employees to pass any county or municipal test or examination pursuant to T.C.A. § 62-6-111(i)(2)(C)).

- A. Electrical Transmission Lines
- B. Electrical Work for Buildings and Structures
- C. Underground Electrical Conduit Installation
- D. Sound and Intercom Systems, Fire Detection Systems, Signal and Burglar Alarm Systems and Security Systems up to seventy (70) volts do not require examination-*Please note that a separate license, issued by the Tennessee Alarm Systems Contractors Board, is also required for alarm systems.
- E. Electrical Signs
- F. Data Communication Systems (e.g. fiber optics & cabling)
- G. Cable T.V.
- H. Substations
- I. Building Automation Controls

(Rule 0680-01-.16, continued)

- J. Fire Detection Systems, Signal and Burglar Alarm Systems and Security Systems with conduit and wiring above seventy (70) volts require an electrical exam.
- K. Roadway Lighting, Attenuators and Signalization - requires electrical examination.
- L. Electric Meter Installation

S - Specialty The Board will utilize the system of classifications set forth in Appendix A. The Board reserves the right to depart from the classification system in appropriate individual cases.

S - Specialty/Environmental work falling within the definition of contracting pursuant to T.C.A. § 62-6-102.

- A. Asbestos Material Handling/Removing
- B. Underground Storage Tank
- C. Lead-Based Paint Abatement
- D. Hazardous Waste Removal
- E. Air, Water or Soil Remediation
- F. Mold Remediation

In each of the above environmental classifications, the following requirements apply:

1. In order to be eligible for licensure in this specialty classification, the applicant shall furnish evidence satisfactory to the Board that the designated employee(s) shall have completed all training courses as required by the applicant state and federal agencies. In the event training courses are unavailable, the applicant's education, training, experience and equipment will be determined and considered in order to qualify the applicant for licensure.
2. A contractor holding a license in this specialty classification shall, as a condition for renewal of such license, keep abreast of all applicable state and federal requirements to ensure "state of the art" handling and removing of above materials by requiring its designated employee(s) to do so.
3. A contractor shall, whenever work in this specialty classification is in progress, have physically on the job site the designated employee(s) directly responsible for the work.
4. A contractor shall notify the Board of any citation lodged against it, or any of its employees, relative to work in a specialty classification within ten (10) days of receipt of the citation.

S - Specialty/Medical Gas Piping installation, maintenance and repair work falling within the regulation of medical gas piping pursuant to T.C.A. § 68-11-253.

- A. Medical Gas Piping Installer Certification Requirements.
 1. The minimum qualifications for board certification are the qualifications for certification established by the American Medical Gas Institute (AMGI) or the Piping Industry Progress and Education Trust Fund (PIPE). A minimum of thirty-two (32) hours of training, with eight (8) of such hours in brazing, shall be required for board certification. The board shall from time to time revise minimum qualifications for board certification to include the most current edition of NFPA 99C "Standard on Gas and Vacuum Systems."

(Rule 0680-01-.16, continued)

- (a) The minimum of thirty-two (32) hours of training for board certification as a medical gas installer shall include training in the following areas from the most current edition of NFPA 99C, Gas and Vacuum Systems:
 - (1) Medical Gas Systems.
 - (2) Gas Distribution Systems.
 - (3) Installation of Pressurized Gas Systems.
 - (4) Vacuum Piping.
 - (5) Brazing Techniques for Medical Gas Systems.
 - (6) Requirements for Levels of Patient Care.
2. The board may designate and approve independent examining agencies, as necessary, to provide the training and examinations necessary for board certification required by T.C.A. § 68-11-253. The board will review an examining agency's curriculum prior to its designation to determine compliance with the minimum qualifications listed above in A.1.(a).
3. The designated examining agency may charge reasonable fees for training and examination as determined appropriate by the board.

Authority: T.C.A. §§ 62-6-108 and 62-6-112. **Administrative History:** Original rule filed July 22, 1974; effective August 21, 1974. Repeal and new rule filed January 20, 1977; effective February 19, 1977. Amendment filed May 19, 1980; effective July 3, 1980. Amendment filed September 16, 1981; effective November 2, 1981. Amendment filed October 16, 1985; effective November 15, 1985. Amendment filed January 31, 1996; effective April 16, 1996. Amendment filed June 25, 2003; effective September 8, 2003. Amendments filed July 25, 2011; effective October 23, 2011. Repeal and new rule filed October 9, 2012; effective January 7, 2013. Amendment filed November 22, 2013; effective February 20, 2014. Amendments filed June 8, 2017; to have been effective September 6, 2017. However, the Government Operations Committee filed a 45-day stay of the effective date of the rules on August 17, 2017; new effective date October 21, 2017.

0680-01-.17 REPEALED.

Authority: T.C.A. § 62-608. **Administrative History:** Original rule filed July 22, 1974; effective August 21, 1974. Repeal and new rule filed January 20, 1977; effective February 19, 1977. Repeal filed May 19, 1980; effective July 3, 1980.

0680-01-.18 UNLAWFUL BIDDING.

Unlawful Contracting. No person, firm or corporation who engages or offers to engage in "contracting" (as defined in T.C.A. § 62-6-102) without a valid contractor's license, or in violation of the terms and conditions of such license, shall be awarded any contract for the project, upon which it engaged in contracting without a license, or permitted to participate in any re-bidding of the project.

Authority: T.C.A. §§ 62-6-108 and 62-6-120. **Administrative History:** Original rule filed June 28, 1984; effective July 28, 1984. Amendment filed January 31, 1996; effective April 16, 1996.

0680-01-.19 CIVIL PENALTIES.

- (1) The Board may in a lawful proceeding respecting licensing (as defined in the Uniform Administrative Procedures Act), and T.C.A. § 56-1-308, in addition to or in lieu of any other

(Rule 0680-01-.19, continued)

lawful disciplinary action, assess civil penalties for violations of statutes, rules, or orders enforceable by the Board in accordance with the following schedule:

Violation	Penalty
Tennessee Code Annotated	
62-6-101 et seq	\$50.00 - \$1,000.00
62-6-120(d)	\$50.00 - \$5,000.00
Rules of Tennessee	
Board for Licensing	
General Contractors	
0680-01-.08	\$50.00 - \$1,000.00
0680-01-.09(1)	\$50.00 - \$1,000.00
0680-01-.09(2)	\$50.00 - \$1,000.00
0680-01-.11	\$50.00 - \$1,000.00
0680-01-.24	\$50.00 - \$1,000.00
0680-01-.13(4)	\$50.00 - \$5,000.00
0680-01-.18	\$50.00 - \$5,000.00
<u>Other Rules</u>	\$50.00 - \$1,000.00
<u>Orders</u>	\$50.00 - \$1,000.00

- (2) In determining the amount of any penalty to be assessed pursuant to this rule, the Board may consider such factors as the following:
 - (a) Whether the amount imposed will be substantial economic deterrent to the violator;
 - (b) The circumstances leading to the violation;
 - (c) The severity of the violation and the risk of harm to the public;
 - (d) The economic benefits gained by the violator as a result of non-compliance;
 - (e) The interest of the public;
 - (f) Willfulness of the violation; and
 - (g) Extent to which the licensee has sought to compensate any victim(s) of the violation.
- (3) For the purposes of assessment of civil penalties pursuant to this rule, each day of continued violation shall constitute a separate violation.
- (4) With regard to the monetary amount in (1) above, the Board reserves the right to waive the limitation therein in appropriate circumstances as provided for in writing by the Board. In no event, shall the penalties assessed by the Board exceed the statutory authorization.

Authority: T.C.A. §§ 56-1-308, 62-6-108, 62-6-120, and 62-8-103. **Administrative History:** Original rule filed January 21, 1986; effective February 20, 1986. Amendment filed January 31, 1996; effective April 16, 1996. Amendment filed July 25, 2011; effective October 23, 2011.

0680-01-.20 FEES.

- (1) The application and initial license fee for a contractor’s license shall be two hundred fifty dollars (\$250.00).
- (2) The examination fee shall be the fee charged by the entity administering the examination, subject to the Board’s approval.
- (3) An applicant failing to appear for the board interview without having notified the board at least three (3) days in advance shall pay an additional fee of twenty-five dollars (\$25.00) before being rescheduled for a subsequent board interview.
- (4) The fee to transfer a license from a partnership to an individual shall be one hundred dollars (\$100.00).
- (5) The fee to transfer a license from a partnership or proprietorship to a corporation shall be one hundred dollars (\$100.00).
- (6) The renewal fee for a certificate of license shall be two hundred dollars (\$200.00).
- (7) A duplicate certificate of license may be issued upon receipt of a written request accompanied by a fee of twenty-five dollars (\$25.00).

Authority: T.C.A. §§ 62-6-108, 62-6-111, 62-6-113, and 62-6-116. **Administrative History:** Original rule filed July 14, 1989; effective August 28, 1989. Repeal and new rule filed September 12, 2005; effective November 26, 2005.

0680-01-.21 CITATION PENALTIES.

- (1) The Executive Director of the Board for Licensing Contractors may issue citations against persons acting in the capacity of or engaging in the business of a contractor without a license in violation of T.C.A. § 62-6-103. Each citation shall be in writing and describe with particularity the basis of the citation. Each citation shall contain an order to cease all violations of this chapter, and an assessment of a civil penalty in accordance with the following schedule:

Violation	Penalty
T.C.A. § 62-6-103(a)(1)	\$50 - \$1000
T.C.A. § 62-6-103(b)	\$50 - \$1000

- (2) In determining the amount of any penalty to be assessed pursuant to this rule, the Executive Director may consider such factors as the following:
 - (a) Whether the amount imposed will be substantial economic deterrent to the violator;
 - (b) The circumstances leading to the violation;
 - (c) The severity of the violation and the risk of harm to the public;
 - (d) The economic benefits gained by the violator as a result of noncompliance;
 - (e) The interest of the public;
 - (f) Willfulness of the violation;

(Rule 0680-01-.21, continued)

- (g) Extent to which the licensee has sought to compensate any victim(s) of the violation.

Authority: T.C.A. § 62-6-106 and Acts of 1991, Public Chapter 272. **Administrative History:** Original rule filed February 25, 1993; effective April 11, 1993. Amendment filed January 31, 1996; effective April 16, 1996.

0680-01-.22 EXEMPTION.

Any person, business or church that owns property and constructs single residences or buildings for their individual use shall not need a contractor's license. Individual use shall mean use by persons other than the general public.

Authority: T.C.A. §§ 62-6-103 and 62-6-108. **Administrative History:** Original rule filed January 31, 1996; effective April 16, 1996.

0680-01-.23 REQUALIFICATION OF AGENT.

- (1) Proprietorships, Partnerships and Corporations or firms licensed prior to the examination requirement, shall designate no more than 2 qualifying agents per major classification on a form prescribed by the Board and attached to the renewal of the license.
- (2) If the designated qualifying agents leave the firm for any reason, the firm must designate an individual to successfully pass the examination within three (3) months.

Authority: T.C.A. §§ 62-6-108 and 62-6-111. **Administrative History:** Original rule filed January 31, 1996; effective April 16, 1996.

0680-01-.24 BIDDING PROCEDURES.

- (1) Pursuant to T.C.A. § 62-6-102, a subcontractor is required to be licensed in order to perform electrical, plumbing, heating ventilation, air conditioning, and roofing work when the amount is twenty-five thousand dollars (\$25,000.00) or more; and masonry work when the amount is one hundred thousand dollars (\$100,000.00) or more, including materials and labor. It is the subcontractor's responsibility to furnish evidence to the prime contractor of an active license with the appropriate name, classification, monetary limit, and expiration date, regardless of how the bid is transmitted. Failure to comply with this rule shall not require no consideration of the subcontractor's bid, if appropriately licensed, but said subcontractor may be subject to discipline by the Board.
- (2) Any prime contractor submitting a bid pursuant to T.C.A. § 62-6-119(b) shall list on the outside of the bid envelope or in the submission of an electronic bid only one electrical contractor, one plumbing contractor, one heating ventilation and air conditioning contractor, and one masonry contractor with appropriate classification and monetary limit or the bid shall not be considered. Award of the subcontract to one not listed on the base bid envelope or in the submission of an electronic bid in violation of T.C.A. § 62-6-119 will be subject to review and disciplinary action by the Board.

Authority: T.C.A. §§ 62-6-102, 62-6-103, 62-6-108, 62-6-111, and 62-6-119. **Administrative History:** Original rule filed January 31, 1996; effective April 16, 1996. Repeal and new rule filed July 25, 2011; effective October 23, 2011. Amendments filed June 8, 2017; to have been effective September 6, 2017. However, the Government Operations Committee filed a 45-day stay of the effective date of the rules on August 17, 2017; new effective date October 21, 2017.

0680-01-.25 CONTRACTING IN CORRECT NAME; CHANGE OF NAME.

- (1) Upon receiving a certificate of licensure from this Board, the licensee has an affirmative responsibility to enter into contracts and operate its related contracting business under the name in which it is licensed in order to notify and prevent confusion on the part of the public at large of an entity's licensure status. Contracting in a name different than that in which an individual or entity is licensed by this Board is considered a violation of this chapter, and will be cause for appropriate disciplinary action.
- (2) In the event of a name change of a licensee, the licensee must complete an application request for a name change and be approved prior to contracting in the new name. The licensee shall have ninety (90) days from the date that the new entity is formed to apply for a license in the new entity name. The licensee cannot bid on or enter into contracts in the new name until it has been issued a revised license; however, the entity may continue to work on already existing contracts that were entered into prior to the name change, provided the application is made within the ninety (90) day period.

Authority: T.C.A. §§ 62-6-103, 62-6-108, and 62-6-115. **Administrative History:** Original rule filed July 25, 2011; effective October 23, 2011.

0680-01-.26 LICENSE REQUIREMENT FOR PROPERTY OWNERS.

The license exemption stated in T.C.A. § 62-6-103(2)(A) pertains to any person, firm, church, or other religious institution that owns property and constructs on the property single residences, farm buildings or other buildings for individual use. This exemption does not apply to construction pertaining to resale, lease, rent or other similar purpose. The exemption does not apply to persons constructing buildings for a business-type purpose that cater to and depend upon usage by members of the general public.

Authority: T.C.A. §§ 62-6-103 and 62-6-108. **Administrative History:** Original rule filed October 9, 2012; effective January 7, 2013.

0680-01-.27 MISCONDUCT.

The following acts may constitute misconduct and may result in disciplinary action against licensees including possible revocation or suspension of license. The acts include, but are not limited to:

- (1) Failure to cooperate with open investigation related to a complaint filed with the Board. This includes failure to respond in writing to any communication from the Board requesting a response within thirty (30) days of mailing such communication by registered or certified mail to the last address furnished to the Board by the licensee.
- (2) Failure to abide by warranty agreement.
- (3) Pulling a building, electrical, plumbing, or like permit for a job in which an unlicensed contractor is acting as the general contractor or consenting to or allowing for a contractor's license number to be utilized by an unlicensed contractor or improperly licensed contractor in the furtherance of unlicensed contracting.
- (4) Failure to maintain worker's compensation if insurance is required by Tennessee statute.
- (5) Revocation, suspension, or voluntary surrender of contractor's license in another jurisdiction.
- (6) Failure to pay a civil judgment rendered against the contractor by a court of competent jurisdiction if related to the contracting industry.

(Rule 0680-01-.27, continued)

- (7) Failure to respond to customer inquiries regarding completion of work and/or dissatisfaction with quality of work.

Authority: T.C.A. §§ 62-6-108, 62-6-111, 62-6-118, and 62-6-121. **Administrative History:** Original rule filed October 9, 2012; effective January 7, 2013. Amendment filed November 22, 2013; effective February 20, 2014.

0680-01-.28 TEMPORARY LICENSING.

- (1) Hardships or Emergency Actions
 - (a) The Executive Director is permitted to approve increases in the monetary limits and to consider timely licensure applications or renewal applications for which there are no evident impediments to licensure and for which loss of substantial business is imminent if licensure is delayed. The Executive Director shall obtain consent of at least one (1) Board member for purposes of considering the issuance of the temporary license.
 - (b) The application for a temporary license may be denied or delayed in order to request more information regarding a contractor's financial statement or any other issue which is deemed to have a possible detrimental effect to the public safety and welfare.
 - (c) Notice of emergency actions shall be posted on the Board's website and shall be scheduled as the first agenda item at the next scheduled meeting of the Board in order that the Board may review and, in its discretion, modify the actions of the executive director.
 - (d) Applicants who wish to apply for an hardship license shall submit the following:
 1. Contractor's License Application
 2. Written request from the project owner describing the hardship and letter must include: details of the hardship; reason the hardship application process should be utilized; reason for requiring the use of the applicant contractor as opposed to a currently licensed contractor; description of the project and location; and the bid date, if applicable
 - (e) The Board must ratify the issuance of a hardship license at their next regularly scheduled board meeting. The Board may deny the license or terminate the temporary license by providing written notice of the rejection within fifteen (15) days of the board meeting.

Authority: T.C.A. §§ 4-3-1304, 62-6-108, 62-6-109, 62-6-111, 62-6-116, and 62-6-117. **Administrative History:** Original rule filed October 9, 2012; effective January 7, 2013. Amendments filed June 8, 2017; to have been effective September 6, 2017. However, the Government Operations Committee filed a 45-day stay of the effective date of the rules on August 17, 2017; new effective date October 21, 2017.

0680-01-.29 LIMITED RESIDENTIAL LICENSE.

- (1) The Limited Residential License allows for the construction, remodel, repair, or improvement of single family dwellings in which the total cost, including the cost of the property if owned by the contractor, does not exceed one hundred twenty five thousand dollars (\$125,000.00).
- (2) The ten percent (10%) tolerance for monetary limitations as stated in Tenn. Comp. R. & Regs. § 0680-01-.13 is not applicable to the Limited Residential License.

(Rule 0680-01-.29, continued)

- (3) The financial statements for Limited Residential License must reflect a positive net worth and positive working capital.
- (4) The Limited Residential License applicant shall provide proof of any relevant experience in order to qualify for licensure.
- (5) The applicant must participate in a limited residential license three day course as approved by the Board. The course may be taken at any location approved by the Board. These courses are found on the Board website.

Authority: T.C.A. §§ 62-6-108 and 62-6-112. **Administrative History:** Original rule filed October 9, 2012; effective January 7, 2013. However, the Government Operations Committee filed a 60-day stay of the effective date of the rule on December 20, 2012; new effective date March 8, 2013. On February 5, 2013, the Tennessee Board for Licensing Contractors filed a withdrawal of the rule. Original rule filed November 22, 2013; effective February 20, 2014.

0680-01-.30 EXPEDITED PROCEDURE FOR MILITARY PERSONNEL AND SPOUSES.

- (1) An applicant for licensure meeting the requirements of T.C.A. § 4-3-1304(d)(1) may:
 - (a) Be issued a license upon application and payment of all fees required for issuance of a regular license of the same type if, in the opinion of the Board, the requirements for certification or licensure of such other state are substantially equivalent to the requirements in Tennessee; or
 - (b) Be issued a temporary license as described herein if the Board determines the applicant's license is not substantially equivalent, as set forth in subsection (a) above, but the applicant could perform additional acts, including – but not limited to education, training, or experience (“applicant's additional requirements”). The Board may issue a temporary license upon application and payment of all fees required for issuance of a regular license of the same type which shall allow such person to perform services as if fully licensed for a set period of time that is determined to be sufficient for the applicant to complete applicant's additional requirements.
 1. After completing applicant's additional requirements and providing the Board with sufficient proof thereof as may be required, a full license shall be issued to the applicant with an issuance date of the date of the original issuance of the temporary license and an expiration date as if the full license had been issued at that time, providing the Board determines that there have been no intervening issues to prevent such licensure.
 2. A temporary license shall be issued for a period of less than the length of a renewal cycle for a permanent license.
 3. A temporary license shall expire upon the date set by the Board and shall not be subject to renewal except through the completion of applicant's additional requirements, as required by the Board or by an extension of time granted for good cause by the Board.
 4. Should an extension to a temporary license cause the license to be in effect longer than the renewal cycle of a permanent license then the holder of the temporary license shall file a renewal application with such documentation and fees, as are required by the Board for all other renewals of a permanent license of the same type.

(Rule 0680-01-.30, continued)

- (2) Military education, training, or experience completed by a person described at T.C.A. § 4-3-1304(d)(1)(B)(ii)(a)-(c) shall be accepted toward the qualifications, in whole or in part, to receive any license issued by the Board if such military education, training, or experience is determined by the Board to be substantially equivalent to the education, training, or experience required for the issuance of such license.
- (3) Any licensee who is a member of the national guard or a reserve component of the armed forces of the United States called to active duty whose license expires during the period of activation shall be eligible to be renewed upon the licensee being released from active duty without payment of late fees or other penalties.
 - (a) The license of a person described in paragraph (3) shall be eligible for renewal pursuant to this subsection for one (1) year from the person's release from active duty.
 - (b) Any person renewing under paragraph (3) shall provide the Board such supporting documentation evidencing activation as may be required by the Board prior to renewal of any license pursuant to this subsection.

Authority: T.C.A. §§ 4-3-1304, 62-6-108, 62-6-109, 62-6-111, 62-6-116, and 62-6-117. **Administrative History:** Original rule filed November 17, 2016; effective February 15, 2017.

0680-01-.31 INCOMPETENCY AND GROSS NEGLIGENCE.

Incompetency and gross negligence as used in T.C.A. § 62-6-118(a) shall be defined by a standard of care determined by the Board, in its discretion. When defining this standard of care for residential builders the Board may use:

- (1) The Residential Construction Performance Guidelines, issued by the National Association of Home Builders, the most current edition, or
- (2) Community and industry standards.

Authority: T.C.A. §§ 62-6-108 and 62-6-119. **Administrative History:** Original rule filed March 22, 2018; effective June 20, 2018.