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Sequence Number: 11-10-16  
Rule ID(s): 6359-6360  
File Date: 11/17/16  
Effective Date: 2/15/17

# Proposed Rule(s) Filing Form

*Proposed rules are submitted pursuant to Tenn. Code Ann. §§ 4-5-202, 4-5-207, and 4-5-229 in lieu of a rulemaking hearing. It is the intent of the Agency to promulgate these rules without a rulemaking hearing unless a petition requesting such hearing is filed within ninety (90) days of the filing of the proposed rule with the Secretary of State. To be effective, the petition must be filed with the Agency and be signed by ten (10) persons who will be affected by the amendments, or submitted by a municipality which will be affected by the amendments, or an association of ten (10) or more members, or any standing committee of the General Assembly. The agency shall forward such petition to the Secretary of State.*

*Pursuant to Tenn. Code Ann. § 4-5-229, any new fee or fee increase promulgated by state agency rule shall take effect on July 1, following the expiration of the ninety (90) day period as provided in § 4-5-207. This section shall not apply to rules that implement new fees or fee increases that are promulgated as emergency rules pursuant to § 4-5-208(a) and to subsequent rules that make permanent such emergency rules, as amended during the rulemaking process. In addition, this section shall not apply to state agencies that did not, during the preceding two (2) fiscal years, collect fees in an amount sufficient to pay the cost of operating the board, commission or entity in accordance with § 4-29-121(b).*

<b>Agency/Board/Commission:</b>	Tennessee Board for Licensing Contractors
<b>Division:</b>	Division of Regulatory Boards Department of Commerce and Insurance
<b>Contact Person:</b>	Laura Martin
<b>Address:</b>	Davy Crockett Tower, 5 <sup>th</sup> Floor 500 James Robertson Pkwy. Nashville, Tennessee
<b>Zip:</b>	37243
<b>Phone:</b>	615-741-3072
<b>Email:</b>	Laura.martin@tn.gov

**Revision Type (check all that apply):**

- Amendment  
 New  
 Repeal

**Rule(s)** (ALL chapters and rules contained in filing must be listed here. If needed, copy and paste additional tables to accommodate multiple chapters. Please make sure that **ALL** new rule and repealed rule numbers are listed in the chart below. Please enter only **ONE** Rule Number/Rule Title per row)

Chapter Number	Chapter Title
0680-01	Licensing
Rule Number	Rule Title
0680-01-.30	Expedited Procedure for Military Personnel and Spouses

Chapter Number	Chapter Title
0680-07	General Regulations for Home Improvement Contractors
Rule Number	Rule Title
0680-07-.15	Expedited Procedure for Military Personnel and Spouses

Chapter 0680-01  
Licensing  
New Rules

Chapter 0680-01, Licensing, Table of Contents is amended to include Rule 0680-01-.30 Expedited Procedure for Military Personnel and Spouses, and, as amended shall read:

TABLE OF CONTENTS

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

Rule 0680-01-.30 Expedited Procedure for Military Personnel and Spouses is added to chapter 0680-01 and shall read as follows:

Rule 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.
- (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.

Chapter 0680-07  
General Regulations for Home Improvement Contractors  
New Rules

Chapter 0680-01, Licensing, Table of Contents is amended to include Rule 0680-07-.15 Expedited Procedure for Military Personnel and Spouses, and, as amended shall read:

TABLE OF CONTENTS

0680-07-.01 Fees	0680-07-.08 Temporary Licenses
0680-07-.02 Definitions	0680-07-.09 License Renewals
0680-07-.03 License for Home Improvement Contractors	0680-07-.10 Credit Reports
0680-07-.04 Advertising	0680-07-.11 Financial Statement
0680-07-.05 Notice of Change of Licensing Information	0680-07-.12 Filing of Security Prior to Issuance of License
0680-07-.06 Time Limitations for Filing Complaints	0680-07-.13 Bonds
0680-07-.07 Application for Licensure as Home Improvement Contractor	0680-07-.14 County Adoption of Home Improvement Law
	0680-07-.15 Expedited Procedure for Military Personnel and Spouses

Rule 0680-07-.15 Expedited Procedure for Military Personnel and Spouses is added to chapter 0680-07 and shall read as follows:

Rule 0680-07-.15 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.
- (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. §§ 62-6-506, 62-6-507, 62-6-513, and 4-3-1304

\* If a roll-call vote was necessary, the vote by the Agency on these rules was as follows:

Board Member	Aye	No	Abstain	Absent	Signature (if required)
Reese Smith	X				
Ronnie Tickle	X				
Keith Whittington	X				
Jerry Hayes	X				
Bill Mason	X				
Cindi DeBusk	X				
Randy Chase	X				
Mark Brodd	X				

I certify that this is an accurate and complete copy of proposed rules, lawfully promulgated and adopted by the (board/commission/other authority) on 07/26/2016 (date as mm/dd/yyyy), and is in compliance with the provisions of T.C.A. § 4-5-222. The Secretary of State is hereby instructed that, in the absence of a petition for proposed rules being filed under the conditions set out herein and in the locations described, he is to treat the proposed rules as being placed on file in his office as rules at the expiration of ninety (90) days of the filing of the proposed rule with the Secretary of State.

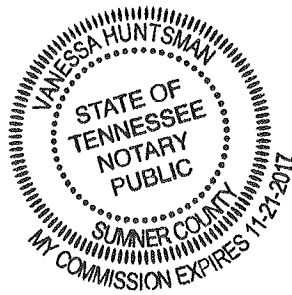
Date: October 17, 2016

Signature: \_\_\_\_\_

*Laura E. Martin*

Name of Officer: Laura Martin

Title of Officer: Assistant General Counsel



Subscribed and sworn to before me on: October 17, 2016

Notary Public Signature: \_\_\_\_\_

*Vanessa Huntsman*

My commission expires on: November 21, 2017

*November 21, 2017*

All proposed rules provided for herein have been examined by the Attorney General and Reporter of the State of Tennessee and are approved as to legality pursuant to the provisions of the Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5.

*Herbert H. Slatery III*

Herbert H. Slatery III  
Attorney General and Reporter

11/10/2016

Date

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Filed with the Department of State on: \_\_\_\_\_

11/17/16

Effective on: \_\_\_\_\_

2/15/17

*Tre Hargett*

Tre Hargett  
Secretary of State

## Regulatory Flexibility Addendum

Pursuant to T.C.A. §§ 4-5-401 through 4-5-404, prior to initiating the rule making process, all agencies shall conduct a review of whether a proposed rule or rule affects small business.

(1) The type or types of small business and an identification and estimate of the number of small businesses subject to the proposed rule that would bear the cost of, or directly benefit from the proposed rule;

*The proposed rules will not directly affect the more than 500 licensed contracting firms, only the individual licensees .*

(2) The projected reporting, recordkeeping and other administrative costs required for compliance with the proposed rule, including the type of professional skills necessary for preparation of the report or record;

*The projected reporting, recordkeeping, and other administrative costs will be expected to be kept at minimum in order to be in compliance with the proposed rule. There is no variation in reporting requirements for contracting firms in Tennessee of any size*

(3) A statement of the probable effect on impacted small businesses and consumers;

*The proposed rules are not intended to directly affect small businesses and consumers. However, the amount of competent, licensed contractors would likely increase due to the expedited licensure process for military personnel and their spouses, which would lead to an increased capability for small business contracting firms to meet consumer demand.*

(4) A description of any less burdensome, less intrusive or less costly alternative methods of achieving the purpose and objectives of the proposed rule that may exist, and to what extent the alternative means might be less burdensome to small business;

*There are no less burdensome, less intrusive or less costly methods of achieving the purpose of these proposed rules.*

(5) A comparison of the proposed rule with any federal or state counterparts; and

*There will be no conflict with other federal, state or local governmental rules because the Board is the sole authority for establishing minimum requirements for obtaining and maintaining a license for the profession it regulates. The proposed rule shares similarities with the rules and laws of 46 states that have enacted or proposed rules and laws resulting from the initiative of the Obama administration to streamline credentialing and licensing for service members, veterans, and their spouses.*

(6) Analysis of the effect of the possible exemption of small businesses from all or any part of the requirements contained in the proposed rule.

*The proposed rules will not directly affect the more than 500 licensed contracting firms, only the individual licensees.*

## **Impact on Local Governments**

Pursuant to T.C.A. §§ 4-5-220 and 4-5-228 “any rule proposed to be promulgated shall state in a simple declarative sentence, without additional comments on the merits of the policy of the rules or regulation, whether the rule or regulation may have a projected impact on local governments.” (See Public Chapter Number 1070 (<http://state.tn.us/sos/acts/106/pub/pc1070.pdf>) of the 2010 Session of the General Assembly)

The Board does not foresee any impact on local governments by the promulgation of these rules.



## Additional Information Required by Joint Government Operations Committee

All agencies, upon filing a rule, must also submit the following pursuant to T.C.A. § 4-5-226(i)(1).

- (A) A brief summary of the rule and a description of all relevant changes in previous regulations effectuated by such rule;

The rules proposed herein have been promulgated by the Contractors Licensing Board to ensure compliance with T.C.A. § 4-3-1304. The rules will allow out of state military applicants and their spouses who have contractor related licenses in other states that meet the criteria set forth in T.C.A. § 4-3-1304 to obtain temporary licensure in Tennessee related to contracting and to expedite the licensing process for those applicants.

- (B) A citation to and brief description of any federal law or regulation or any state law or regulation mandating promulgation of such rule or establishing guidelines relevant thereto;

T.C.A. § 4-3-1304(d)(1) states that all boards attached to the division of regulatory boards shall establish a procedure by which to expedite licensure of military applicants and their spouses who meet certain criteria and who have been previously licensed in related professions in other jurisdictions.

- (C) Identification of persons, organizations, corporations or governmental entities most directly affected by this rule, and whether those persons, organizations, corporations or governmental entities urge adoption or rejection of this rule;

Military applicants and their spouses that meet the criteria set forth in T.C.A. § 4-3-1304(d)(1) would be expected to be in favor of this rule. The stakeholders and board members urge adoption.

- (D) Identification of any opinions of the attorney general and reporter or any judicial ruling that directly relates to the rule;

None known.

- (E) An estimate of the probable increase or decrease in state and local government revenues and expenditures, if any, resulting from the promulgation of this rule, and assumptions and reasoning upon which the estimate is based. An agency shall not state that the fiscal impact is minimal if the fiscal impact is more than two percent (2%) of the agency's annual budget or five hundred thousand dollars (\$500,000), whichever is less;

No fiscal impact foreseen.

- (F) Identification of the appropriate agency representative or representatives, possessing substantial knowledge and understanding of the rule;

Laura Martin, Assistant General Counsel; Carolyn Lazenby, Executive Director

- (G) Identification of the appropriate agency representative or representatives who will explain the rule at a scheduled meeting of the committees;

Laura Martin, Assistant General Counsel; Carolyn Lazenby, Executive Director

- (H) Office address, telephone number, and email address of the agency representative or representatives who will explain the rule at a scheduled meeting of the committees; and

Laura Martin  
500 James Robertson Parkway  
Davy Crockett Tower  
Legal Division 5<sup>th</sup> Floor  
Nashville, TN 37243

Carolyn Lazenby, Executive Director  
500 James Robertson Parkway  
Davy Crockett Tower  
Tennessee Board For Licensing Contractors, 4<sup>th</sup> Floor  
Nashville, TN 37243

(I) Any additional information relevant to the rule proposed for continuation that the committee requests.

N/A

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# Proposed Rule(s) Filing Form {redline}

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*Pursuant to Tenn. Code Ann. § 4-5-229, any new fee or fee increase promulgated by state agency rule shall take effect on July 1, following the expiration of the ninety (90) day period as provided in § 4-5-207. This section shall not apply to rules that implement new fees or fee increases that are promulgated as emergency rules pursuant to § 4-5-208(a) and to subsequent rules that make permanent such emergency rules, as amended during the rulemaking process. In addition, this section shall not apply to state agencies that did not, during the preceding two (2) fiscal years, collect fees in an amount sufficient to pay the cost of operating the board, commission or entity in accordance with § 4-29-121(b).*

**Agency/Board/Commission:** Tennessee Board for Licensing Contractors  
**Division:** Division of Regulatory Boards  
Department of Commerce and Insurance  
**Contact Person:** Laura Martin  
**Address:** Davy Crockett Tower, 5<sup>th</sup> Floor  
500 James Robertson Pkwy.  
Nashville, Tennessee  
**Zip:** 37243  
**Phone:** 615-741-3072  
**Email:** [Laura.martin@tn.gov](mailto:Laura.martin@tn.gov)

**Revision Type (check all that apply):**

- Amendment
- New
- Repeal

**Rule(s)** (ALL chapters and rules contained in filing must be listed here. If needed, copy and paste additional tables to accommodate multiple chapters. Please make sure that **ALL** new rule and repealed rule numbers are listed in the chart below. Please enter only **ONE** Rule Number/Rule Title per row)

<b>Chapter Number</b>	<b>Chapter Title</b>
0680-01	Licensing
<b>Rule Number</b>	<b>Rule Title</b>
0680-01-.30	Expedited Procedure for Military Personnel and Spouses

<b>Chapter Number</b>	<b>Chapter Title</b>
0680-07	General Regulations for Home Improvement Contractors
<b>Rule Number</b>	<b>Rule Title</b>
0680-07-.15	Expedited Procedure for Military Personnel and Spouses

Chapter 0680-01  
Licensing  
New Rules

Chapter 0680-01, Licensing, Table of Contents is amended to include Rule 0680-01-.30 Expedited Procedure for Military Personnel and Spouses, and, as amended shall read:

TABLE OF CONTENTS

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

Rule 0680-01-.30 Expedited Procedure for Military Personnel and Spouses is added to chapter 0680-01 and shall read as follows:

Rule 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.

- (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.

Chapter 0680-07  
General Regulations for Home Improvement Contractors  
New Rules

Chapter 0680-01, Licensing, Table of Contents is amended to include Rule 0680-07-.15 Expedited Procedure for Military Personnel and Spouses, and, as amended shall read:

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	<u>0680-07-.15 Expedited Procedure for Military Personnel and Spouses</u>

Rule 0680-07-.15 Expedited Procedure for Military Personnel and Spouses is added to chapter 0680-07 and shall read as follows:

Rule 0680-07-.15 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.
- (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. §§ 62-6-506, 62-6-507, 62-6-513, and 4-3-1304

\* If a roll-call vote was necessary, the vote by the Agency on these rules was as follows:

Board Member	Aye	No	Abstain	Absent	Signature (if required)
Reese Smith	X				
Ronnie Tickle	X				
Keith Whittington	X				
Jerry Hayes	X				
Bill Mason	X				
Cindi DeBusk	X				
Randy Chase	X				
Mark Brodd	X				

I certify that this is an accurate and complete copy of proposed rules, lawfully promulgated and adopted by the (board/commission/other authority) on 7/26/16 (date as mm/dd/yyyy), and is in compliance with the provisions of T.C.A. § 4-5-222. The Secretary of State is hereby instructed that, in the absence of a petition for proposed rules being filed under the conditions set out herein and in the locations described, he is to treat the proposed rules as being placed on file in his office as rules at the expiration of ninety (90) days of the filing of the proposed rule with the Secretary of State.

Date: July 26, 2016

Signature: \_\_\_\_\_

Name of Officer: Laura Martin

Title of Officer: Assistant General Counsel

Subscribed and sworn to before me on: \_\_\_\_\_

Notary Public Signature: \_\_\_\_\_

My commission expires on: \_\_\_\_\_

All proposed rules provided for herein have been examined by the Attorney General and Reporter of the State of Tennessee and are approved as to legality pursuant to the provisions of the Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5.

\_\_\_\_\_  
Herbert H. Slatery III  
Attorney General and Reporter

\_\_\_\_\_  
Date

**Department of State Use Only**

Filed with the Department of State on: \_\_\_\_\_

Effective on: \_\_\_\_\_

\_\_\_\_\_  
Tre Hargett  
Secretary of State

## Regulatory Flexibility Addendum

Pursuant to T.C.A. §§ 4-5-401 through 4-5-404, prior to initiating the rule making process, all agencies shall conduct a review of whether a proposed rule or rule affects small business.

T. C. A. § 4-5-403

### § 4-5-403. Economic impact statement

#### Currentness

As part of the rulemaking process for any proposed rule that may have an impact on small businesses, each agency shall prepare an economic impact statement as an addendum for each rule that is deemed to affect small businesses, which shall be published in the Tennessee administrative register, filed with the secretary of state and made available to all interested parties, including the secretary of state, attorney general and reporter and the government operations committees of the senate and the house of representatives, and as described for rules in part 2 of this chapter. The statement shall include the following:

(1) The type or types of small business and an identification and estimate of the number of small businesses subject to the proposed rule that would bear the cost of, or directly benefit from the proposed rule;

*The proposed rules will not directly affect the more than 500 licensed contracting firms, only the individual licensees .*

(2) The projected reporting, recordkeeping and other administrative costs required for compliance with the proposed rule, including the type of professional skills necessary for preparation of the report or record;

*The projected reporting, recordkeeping, and other administrative costs will be expected to be kept at minimum in order to be in compliance with the proposed rule. There is no variation in reporting requirements for contracting firms in Tennessee of any size*

(3) A statement of the probable effect on impacted small businesses and consumers;

*The proposed rules are not intended to directly affect small businesses and consumers. However, the amount of competent, licensed contractors would likely increase due to the expedited licensure process for military personnel and their spouses, which would lead to an increased capability for small business contracting firms to meet consumer demand.*

(4) A description of any less burdensome, less intrusive or less costly alternative methods of achieving the purpose and objectives of the proposed rule that may exist, and to what extent the alternative means might be less burdensome to small business;



*There are no less burdensome, less intrusive or less costly methods of achieving the purpose of these proposed rules.*

(5) A comparison of the proposed rule with any federal or state counterparts; and

*There will be no conflict with other federal, state or local governmental rules because the Board is the sole authority for establishing minimum requirements for obtaining and maintaining a license for the profession it regulates. The proposed rule shares similarities with the rules and laws of 46 states that have enacted or proposed rules and laws resulting from the initiative of the Obama administration to streamline credentialing and licensing for service members, veterans, and their spouses.*

(6) Analysis of the effect of the possible exemption of small businesses from all or any part of the requirements contained in the proposed rule.

*The proposed rules will not directly affect the more than 500 licensed contracting firms, only the individual licensees.*

## **Impact on Local Governments**

Pursuant to T.C.A. §§ 4-5-220 and 4-5-228 "any rule proposed to be promulgated shall state in a simple declarative sentence, without additional comments on the merits of the policy of the rules or regulation, whether the rule or regulation may have a projected impact on local governments." (See Public Chapter Number 1070 (<http://state.tn.us/sos/acts/106/pub/pc1070.pdf>) of the 2010 Session of the General Assembly)

The Board does not foresee any impact on local governments by the promulgation of these rules.

**Additional Information Required by Joint Government Operations Committee**

All agencies, upon filing a rule, must also submit the following pursuant to T.C.A. § 4-5-226(i)(1).

- (A) A brief summary of the rule and a description of all relevant changes in previous regulations effectuated by such rule;

The rules proposed herein have been promulgated by the Contractors Licensing Board to ensure compliance with T.C.A. § 4-3-1304. The rules will allow out of state military applicants and their spouses who have contractor related licenses in other states that meet the criteria set forth in T.C.A. § 4-3-1304 to obtain temporary licensure in Tennessee related to contracting and to expedite the licensing process for those applicants.

- (B) A citation to and brief description of any federal law or regulation or any state law or regulation mandating promulgation of such rule or establishing guidelines relevant thereto;

T.C.A. § 4-3-1304(d)(1) states that all boards attached to the division of regulatory boards shall establish a procedure by which to expedite licensure of military applicants and their spouses who meet certain criteria and who have been previously licensed in related professions in other jurisdictions.

- (C) Identification of persons, organizations, corporations or governmental entities most directly affected by this rule, and whether those persons, organizations, corporations or governmental entities urge adoption or rejection of this rule;

Military applicants and their spouses that meet the criteria set forth in T.C.A. § 4-3-1304(d)(1) would be expected to be in favor of this rule. The stakeholders and board members urge adoption.

- (D) Identification of any opinions of the attorney general and reporter or any judicial ruling that directly relates to the rule;

None known.

- (E) An estimate of the probable increase or decrease in state and local government revenues and expenditures, if any, resulting from the promulgation of this rule, and assumptions and reasoning upon which the estimate is based. An agency shall not state that the fiscal impact is minimal if the fiscal impact is more than two percent (2%) of the agency's annual budget or five hundred thousand dollars (\$500,000), whichever is less;

No fiscal impact foreseen.

- (F) Identification of the appropriate agency representative or representatives, possessing substantial knowledge and understanding of the rule;

Laura Martin, Assistant General Counsel; Carolyn Lazenby, Executive Director

- (G) Identification of the appropriate agency representative or representatives who will explain the rule at a scheduled meeting of the committees;

Laura Martin, Assistant General Counsel; Carolyn Lazenby, Executive Director

- (H) Office address, telephone number, and email address of the agency representative or representatives who will explain the rule at a scheduled meeting of the committees; and

Laura Martin  
500 James Robertson Parkway  
Davy Crockett Tower  
Legal Division 5<sup>th</sup> Floor  
Nashville, TN 37243

Carolyn Lazenby, Executive Director  
500 James Robertson Parkway

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Tennessee Board For Licensing Contractors, 4<sup>th</sup> Floor  
Nashville, TN 37243

(l) Any additional information relevant to the rule proposed for continuation that the committee requests.

N/A