



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
BOARD FOR LICENSING CONTRACTORS
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NASHVILLE, TENNESSEE 37243-1150
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<https://www.tn.gov/commerce/regboards/contractors.html>
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Adopting the Home Improvement Contractor License Requirement

To aid in protecting consumers during the rebuilding after the flood from unscrupulous contractors, a county has the right to implement regulation of home improvement contractors pursuant T.C.A. § 62-6-516, upon 2/3 majority vote of their legislative body. The Home Improvement Commission was established in 1988 by the legislature in order to regulate the remodeling industry from unscrupulous contractors, especially those taking advantage of the elderly and those on fixed incomes; includes violations of the consumer protection act As a subdivision of the Board for Licensing Contractors, the General Assembly merged with the Board on July 1, 2007 as a means to utilize more resources to regulate, Since implementing, hundreds of complaints have been mediated, which prevent homeowners the expense of taking the matter to court and in some cases, allow them to file against the surety bond. In addition, home improvement contracting has been considered one of the top five (5) consumer related complaints.

The home improvement license law is set up for residential remodelers performing jobs from \$3,000 to less than \$25,000, and of course, the homeowner is exempt from licensing requirements since they may perform their own work without a license (homeowner is still subject to any local permit and inspection requirements). Commercial and industrial remodeling, for projects less than \$25,000, is also considered exempt. Any work where the total cost is \$25,000 or more requires a Contractor's license, in all counties.

The home improvement application process is simple and handled by the Board's state office. The contractor completes an application, identifying experience, as well as, criminal convictions or court judgments, which could prevent them obtaining a license. The contractor must supply: proof of \$10,000 financial responsibility (*typically, in the form of a surety bond, to benefit the homeowner for problems*); workers compensation insurance; general liability insurance; and references. There is not a requirement for examinations, such as with the Contractor's license (required for projects \$25,000 and up). The home improvement licensed contractor is required to follow guidelines pertaining to local government's codes, permit requirements, as well as, adhere to strict state laws for advertising and contract requirements.

More information regarding the home improvement licensing process may be downloaded from the website at:<https://www.tn.gov/commerce/regboards/contractors.html> and consists of instructions to contractors in obtaining a license, as well as information to consumers, who want to file a complaint or to hire a properly licensed, insured and bonded contractor. There are currently nine (9) counties which require a home improvement license: Bradley, Davidson, Hamilton, Haywood, Knox, *Marion, Robertson, Rutherford and Shelby.

Should your county be interested in adopting this license law, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Michael Morelli". The signature is written in a cursive style.

Michael Morelli
Executive Director