

Who is required to be licensed?

Vernon Greene - September 10, 2015 15:05

- **Contractor**- Projects over \$25,000
- **Home Improvement**- Projects from \$3,000- \$24,999
- **LLE- Limited Licensed Electrician**- Jobs less than \$25,000 (Based on Municipality)
- **LLP- Limited Licensee Plumber** – Jobs less than \$25,000 (Based on Municipality)
- **Pre-Licensed Exam Course Providers**- Schools Offering Exam Prep Classes
- **HVAC**- Projects less than \$25,000- Check with Local Government (LLE may be required)

Are subcontractors required to be licensed?

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Some subcontractors are required to obtain a contractor's license. Contractors bidding to any contractor are considered subcontractors. The only subcontractors required to obtain a license as a contractor are those performing work when the total cost on the project is \$25,000 or more for electrical, mechanical, plumbing, HVAC, and effective January 1, 2014, roofing. Also, effective July 1, 2010, a masonry subcontractor is also required to be licensed if the masonry portion is \$100,000 or more (including material and labor). In addition, any subcontractors contracting with another subcontractor that is required to be licensed, they must also be licensed as a contractor to be a "sub to a sub to a sub" on the project. Other "subcontractors", such as flooring, landscaping, fencing, concrete, are not required to be licensed unless they bid directly to the owner. Those bidding directly to the owner are considered "prime" contractors and required to obtain a license for projects \$25,000 and more. This includes those bidding directly to a homeowner who are overseeing the building of their own house and obtained the permit.

Can a homeowner act as their own contractor without a license?

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Yes. A person who owns property is allowed one permit every two years to build their home as long as it is not for sale, lease or rent (individual use). If they hire a contractor, the contractor is considered a "prime" and required to be licensed, as well as, obtain the building permit for inspections. (TCA 62-6-103 and Rule 0680-1-.22)

A homeowner should never obtain the permit on behalf of the contractor, as this could relieve the contractor from most liability and insurance requirements. In addition, the contracts should not be split into phases to circumvent the law. Anyone who is paid in excess of \$25,000 by the owner is considered a prime and required to be licensed.