

## GEORGIA STATE LICENSING BOARD FOR RESIDENTIAL AND GENERAL CONTRACTORS

### *TIPS FOR CONSUMERS*

Whether you are building a home, a commercial building, or considering some other type of construction that would require the use of a residential or general contractor, it is important to understand how to best acquire these services and to have knowledge about potential scam artists who may try to take advantage of you.

The Georgia General Assembly enacted legislation to help protect consumers by requiring that certain types of residential and general contractors obtain a license. This law became effective on July 1, 2008. This law, O.C.G.A. § 43-41, may be found on the Board's website at [www.sos.ga.gov/plb/contractors](http://www.sos.ga.gov/plb/contractors). This law requires that contractors prove that they have met minimum professional standards in order to be licensed in Georgia. While the law allowed for an initial exam exemption period for those contractors who could prove their qualifications and financial requirements, contractors must pass a two part written exam prior to obtaining a Georgia license.

The following are some tips for hiring a qualified contractor for your project(s):

1. Verify that the person is properly licensed by visiting our website at <https://secure.sos.state.ga.us/myverification/>. You may search by name or by license number.
2. Get recommendations from friends and neighbors and check any references given to you by a prospective contractor. You may want to check with your local building permitting official to verify that this person's work history in your community has been favorable.
3. Ask the contractor for proof of general liability insurance. The contractor may also be required to maintain worker's compensation insurance depending on the number of employees that he/she has and other factors. The name on the insurance should correspond with the name of the licensed individual or business.
4. Obtain a written contract for all work that includes specific details of the work to be done, materials to be used and final clean-up to be done when the project has been completed. The contract should include a completion date and payment schedule.
5. Georgia law and board rules require that new single family residences be given a written warranty. Board rules outline the minimum requirements for a written warranty. These rules may be found at [www.sos.ga.gov/plb/contractors](http://www.sos.ga.gov/plb/contractors).
6. Never pay the entire cost of a project up before the work is complete.
7. Georgia law does allow an individual to obtain a building permit to build his/her own home or building, and the law outlines under what circumstances this may be done (*See O.C.G.A. § 43-41-17*).

8. If a contractor tells you that you can save money by obtaining your own building permit for a project that you are hiring him/her to complete, BEWARE! The person or business that obtains the permit assumes most of the liability and insurance requirements for the project. If you do this and have a problem, you may not have any legal recourse with the contractor and any unpaid bills related to that project may fall on you.
9. Consumers may file a complaint against a licensed contract online via the Board's website at [www.sos.ga.gov/plb/](http://www.sos.ga.gov/plb/) , or by submitting a written complaint to the Board office. Keep in mind that the Board can only address issues in which there was a violation of state law(s) or board rule(s). The Board considers all complaints which are filed. Should the Board determine that a complaint is valid, it may choose to take disciplinary action against the licensee which may include a private or public action including probation, suspension or revocation of the license. There may be limited recourse for complaints filed against contractors who handled projects prior to July 1, 2008 as this was the date that the law became effective.
10. The following are some examples of what you may want to avoid:
  - A person going door-to-door selling their services.
  - A person who offers services for a short time only, which makes consumers feel rushed and unable to research the contractor.
  - Refusal or reluctance to set out complete and specific contract terms in writing.
  - Lack of permanent and verifiable name, address and phone number of the business.
  - Pressure to pay for more than half of the cost up front.
11. Certain types of contractor services are considered *specialty services* and do not require that the person be licensed. These include roofers, painters, brick masons, and more. A complete list of specialty contractor services may be found on our website at [www.sos.georgia.gov/plb/contractors/Specialty\\_contractors.htm](http://www.sos.georgia.gov/plb/contractors/Specialty_contractors.htm).
12. Certain subcontractors do require licenses for their particular jobs. These include electricians, plumbers, utility contractors, landscape architects, HVAC, and others which may be found on our website at [www.sos.ga.gov/plb](http://www.sos.ga.gov/plb) .
13. Should contractors split jobs into phases? If the intention is to circumvent the law, absolutely not. For example, Limited Tier General Contractors have a \$500,000.00 limit per contract. They should not be allowed to enter into multiple contracts in order to build a larger project than is allowed.
14. Is it legal for a church to construct its own building? No. OCGA § 25-2-13 states that certain buildings and structures, because of construction or use, may constitute a special hazard to property or to the life and safety of persons on account of fire or panic from fear of fire. This law mandates which types of structures must be constructed by a licensed contractor. The appropriate license classification should be used for such projects because it is open to the public, and not for individual use.
15. May a contractor bid in another name other than as licensed? No. Bidding in a name, other than as licensed, is considered unlicensed activity. Even if the contractor owns both companies, he/she must bid in the name as licensed. A contractor must hold a license BEFORE he/she offers a price, negotiate, contract, bid, etc.