

Senate Bill 124

By: Senators Seabaugh of the 28th, Johnson of the 1st, Balfour of the 9th and Meyer von Bremen of the 12th

**AS PASSED**

AN ACT

To amend Chapter 41 of Title 43 of the Official Code of Georgia Annotated, relating to residential and general contractors, so as to change the method of appointing certain members of the board; to provide for certain qualifications concerning licensing for board members; to provide for the time for appointing members of the board; to provide for the time for filing of applications for exemption from examination; to provide for the time for filing applications for certain licensing; to amend Section 2 of an Act approved May 14, 2004 (Ga. L. 2004, p. 786), so as to change the effective date of such Act; to provide for related matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

Chapter 41 of Title 43 of the Official Code of Georgia Annotated, relating to residential and general contractors, is amended by striking Code Section 43-41-3, relating to creation of the State Licensing Board for Residential and General Contractors, and inserting in lieu thereof a new Code Section 43-41-3 to read as follows:

"43-41-3.

(a) There is created the State Licensing Board for Residential and General Contractors consisting of 14 members appointed by the Governor for five-year terms. The board shall be assigned to the Secretary of State's office for administrative purposes and shall be under the jurisdiction of the division director and shall operate in accordance with and pursuant to the provisions of Chapter 1 of this title, as applicable. The board shall be comprised of two divisions: the residential contractor division, having jurisdiction of and authority over the two subcategories of residential contracting, residential-basic contractors and residential-light commercial contractors, and the general contractor division. Seven members shall be appointed and serve as members of the residential contractor division of the board and seven members shall be appointed and serve as members of the general contractor division of the board. Members shall serve until the expiration of their respective terms and until their successors are appointed and qualified. Vacancies

occurring during a term shall be filled by appointment of the Governor for the remainder of the unexpired term and such replacement shall meet the requirements and criteria of selection of the person previously holding the vacant position. To be eligible to serve on the respective divisions of the board, each contractor member shall be and remain actively involved in the construction contracting business and shall have been so engaged for a period of not less than five consecutive years before the date of appointment in the particular contracting business, as a residential contractor or general contractor, corresponding to the division for which such person is appointed. Any contractor members whose term continues after or who are appointed to terms commencing two years from the date that this chapter becomes effective must also have been licensed and certified by the respective division of the board to operate as a contractor in the category to which the member is appointed. The position of any appointive member of the board who, during his or her term of appointment, shall cease to meet the qualifications for original appointment shall be immediately vacated. No member of the board shall be appointed to serve more than two full terms.

(b) The residential contractor division shall consist of seven members and, except as otherwise expressly stated in this chapter, shall have jurisdiction of and authority over the practice of the two subcategories of residential contracting, residential-basic contractors and residential-light commercial contractors. Five members shall be residential contractors eligible for licensure under this chapter. Effective July 1 of the second year after this chapter becomes effective, all residential contractor members shall be required to be licensed under this chapter. At least two of the residential contractor members shall be qualified to perform residential-light commercial type projects; three shall be qualified and shall predominantly perform residential-basic type projects; one shall be a residential contractor whose business predominately involves remodeling projects; one shall be a residential contractor who constructs at least an average of 20 residences per year; and all must be geographically diverse. One member shall be a public building official and one member shall be a public member. The public member shall have no ties with the residential construction industry and shall represent the interests of the public at large. The initial member terms on the residential contractor division shall be staggered so that all terms do not expire simultaneously. Three members shall serve initial terms of five years, three members shall serve initial terms of four years, and one member shall serve an initial term of three years. The residential contractor division shall meet at least six times each year for the purpose of transacting such business as may properly come before it.

(c) The general contractor division shall consist of seven members and, except as otherwise expressly stated in this chapter, shall have jurisdiction of and authority over the practice of general contracting. Five members shall be general contractors eligible for licensure under this chapter. Effective July 1 of the second year after this chapter becomes effective, all general contractor members shall be required to be licensed under this chapter. At least two of the general contractor members shall be small-volume builders with an annual contracting volume of less than \$5 million and all of whom must be geographically diverse. One member shall be a currently licensed or registered architect or engineer and one member shall be a public building official. The initial member terms on the general contractor division shall be staggered so that all terms do not expire simultaneously. Three members, including at least two contractor members, shall serve initial terms of five years; three members, including at least two contractor members, shall serve initial terms of four years; and one member shall serve an initial term of three years. The general contractor division shall meet at least six times each year for the purpose of transacting such business as may properly come before it."

#### **SECTION 2.**

Said chapter is further amended by striking subsection (a) of Code Section 43-41-4, relating to appointment of members of the board, and inserting in lieu thereof a new subsection (a) to read as follows:

"(a) The initial members of the board shall be appointed no later than July 1 of the year in which this chapter becomes effective. The board shall meet within 30 days after its appointment at a time and place to be designated by the Governor and organize by electing a chairperson and a vice chairperson, each to serve for a one-year term."

#### **SECTION 3.**

Said chapter is further amended by striking subsection (a) of Code Section 43-41-17, relating to effective date of licensing and sanctioning provisions, and inserting in lieu thereof a new subsection (a) to read as follows:

"(a) The licensing requirements imposed by this chapter and the sanctions and consequences relating thereto shall not become effective and enforceable until two years after the effective date of this chapter. On and after such date, no person, whether an individual or a business organization, shall have the right to engage in the business of residential contracting or general contracting without a current, valid residential contractor license or general contractor license, respectively, issued by the division under this chapter

or, in the case of a business organization, unless such business organization shall have a qualifying agent as provided in this chapter holding such a current, valid residential contractor or general contractor license on behalf of such organization issued to such qualifying agent as provided in this chapter. Notwithstanding the foregoing, persons seeking licensure under this chapter and exemption from examination under paragraphs (1) and (2) of subsection (a) of Code Section 43-41-8 shall submit their applications, including all necessary proof of the basis of exemption from examination for such license, starting six months after the effective date of this chapter. The period for submission of such applications and requests for exemption from the examination requirements shall extend thereafter for a period of six months. Furthermore, notwithstanding the foregoing, any person seeking licensure under this chapter and exemption from examination under paragraph (3) of subsection (a) of Code Section 43-41-8 may submit his or her application, including all necessary proof of the basis of such exemption starting 12 months after the effective date of this chapter and continuing thereafter."

#### **SECTION 4.**

An Act approved May 14, 2004 (Ga. L. 2004, p. 786), is amended by striking Section 2 and inserting in lieu thereof a new Section 2 to read as follows:

#### **"SECTION 2.**

This Act shall become effective upon the approval of the Governor or upon its becoming law without such approval for the purposes of appointing members of the board and on July 1, 2005, for all other purposes."

#### **SECTION 5.**

This Act shall become effective upon approval of the Governor or upon its becoming law without such approval.

#### **SECTION 6.**

All laws and parts of laws in conflict with this Act are repealed.