

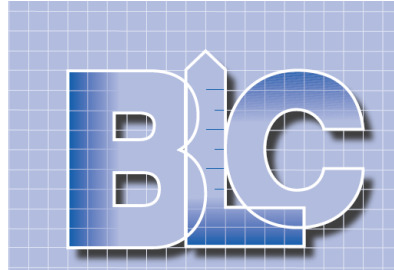
**STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
BOARD FOR LICENSING CONTRACTORS**

500 James Robertson Pkwy., 4th Floor, Davy Crockett Tower
Nashville, TN 37243-1150

Telephone: 800-544-7693 or (615) 741-8307 / Fax: (615) 532-2868

Website: <https://www.tn.gov/commerce/regboards/contractor.html>

Email: Contractor.App@tn.gov



**CONTRACTOR'S LICENSE APPLICATION
◆ PACKAGE ◆**

Contents

- **Contractor's License Application** (*pages 1-16*)
 - Contractor Licensing General Information
 - Instructions (*pages i-1 – i-22*)
- **Exam Information** (*also available from the Board's website*)
 - PSI's "Candidate Information Bulletin" - Go to "Government/State Licensing Agencies" at: <https://candidate.psiexams.com/index.jsp>

The above information is included as part of the contractor's license application package. The law, rules and regulations may be reviewed from the Board's website.

Supplemental Information - Website

More information is available and may be downloaded from the Board's website at "Applicant Resources / Forms and Downloads"

<https://www.tn.gov/commerce/regboards/contractors/licensee-applicant-resources/forms-and-downloads.html>

- [Contractor License Classifications and Exams - Outline](#)
- [FAQ's](#) (*Frequently Asked Questions*)
- [Insurance - General Information](#) (*General Liability and Workers' Comp*)
- [Financial Resources](#)
- [Exam – PSI Online Bookstore](#) (*Reference books for exams*)
- [Exam – NASCLA Publisher and Bookstore](#) (*Reference books for exams*)

Contractor Licensing General Information

(New, Reinstatement, Change in Ownership, Mergers, Reorganization and Second Licenses)

A contractor's license is required prior to bidding projects \$25,000 or more!

There are various types of contractors and a list of these **classifications**, as well as ones with exam requirements, may be obtained from our website's "Applicant Resources". Examples of the different types of contractors are as follows: Residential Building (BC-A); Commercial Building (BC-B or BC); Electrical (CE); Plumbing (CMC-A); Landscaping (BC-29); Masonry (LMC); and several specialties such as S-Solar Panel Installation; S-Telecommunications; etc. A contractor's license is required for prime (general); various subcontractors; and construction managers. A qualifier (**Qualifying Agent**) is the person who takes the exam(s) for the entity obtaining the license and they may be an owner or full time employee. Bonding is not required to obtain a contractor's license, but may be required for bidding or obtaining local government permits and inspections. A financial statement is required and must be prepared by a CPA (Review or Audit). The financial statement is utilized to determine the size of license in which a monetary limit may be assigned to the license. The license is obtained in the exact name of the entity providing the financial statement. Therefore, a license may be issued to a: **Sole Proprietor, Corporation, Partnership, or LLC**. The license does not necessarily belong to the qualifying agent, unless they are also the owner. Reciprocal agreements are trade exam waivers, only, and exist with many bordering states (*see more information in the application or website*).

HOW TO BECOME A LICENSED CONTRACTOR *(Detailed steps are located in the application attached)*

In order to become a licensed contractor, you'll need to have the following information:

- **License Name and Mode of Operation** - A license can be obtained as a Sole Proprietor, Corporation, Partnership or LLC, and issued in the exact name listed on the financial statement of the business owner. Check the name to ensure no one else has an active license in this name at: <http://verify.tn.gov/>
- **Exams** – The "Tennessee Business and Law" exam is required. In addition, a "Trade" Exam may be needed to obtain many classifications Each exam cost is \$57.00 and PSI is the exam vendor.
- **Reciprocal** – The Board has a "trade" exam waiver (reciprocal) agreement, only, with several bordering states (*see overview below, however, must complete the entire license process and obtain a Tennessee license prior to operating as a contractor*).
- **Qualifying Agent (QA)** – This is the person who passes the exam, or supplies experience for non-tested trades for the designated classification on the contractor's license. The QA may be the owner, officer or full time employee *with a Power of Attorney*.
- **Classifications** – All licenses are assigned a classification, such as: BC (Building); CE (Electrical); CMC (Mechanical); HC (Heavy Construction); HRA (Highway, Railroad & Airport); LMC (Masonry); MU (Municipal Utility); Environmental; and Specialties (landscaping, excavation, roofing, cell towers, solar panels, audio visual, etc.) Classification outline is available at: <https://www.tn.gov/content/dam/tn/commerce/documents/regboards/contractors/posts/ContClassificationOutlineWeb.pdf>
- **Monetary Limit** - All licenses are issued with a monetary limit, an amount approved for contracting/bidding, and this is based upon your financial statement prepared by a CPA, and experience. (*See the license application for more information*)
- **Financial Statement** – "Reviewed" financial statement is required to obtain a monetary limit of \$3,000,000 or less; an "Audit" is required to obtain a monetary limit more than \$3,000,001 to Unlimited. Financial statements must be prepared by a properly licensed CPA. A contractor's license is issued in the exact name as on the Financial Statement.
- **Indemnities** – A "Guaranty Agreement" with a supplemental (personal or parent) financial statement or a "Bond" in the Board's format is required when providing a "cash" financial statement with little or no fixed assets. In addition, these indemnities may be used to increase working capital and net worth for larger monetary limits. A "Line of Credit" may be used to supplement working capital. These forms and policy is available on our website's "Forms and Downloads" section of Applicant Resources.
- **Proof of Insurance** – General Liability and Workers' Compensation to cover themselves and employees. Employer may register for an exemption. More information is at: <https://www.tn.gov/workforce/employers/tax-and-insurance-redirect/employer-handbook.html> *Certificate of Insurance must be in the same name as to be licensed as on financial statement; certificate holder must list the Board. See format instructions at: https://tn.gov/assets/entities/commerce/attachments/ContInsuranceInfo_001.pdf*
- **Secretary of State** – For those operating as a corporation, general partnership or LLC, you must be sure to register with the Tennessee Secretary of State at: <https://tnbear.tn.gov/ecommerce/default.aspx> (*name should be the same as on financial statement*)
- **License Application – Apply Online** at: <http://core.tn.gov> Complete the application either online or may use the paper form to submit through the mail. Note: Our office is paperless and mailed applications take longer to receive; they go through mailroom and are scanned to us. Application fee is \$250.00 and issued for two (2) years.
- **Deadline Date:** The application must be submitted by the 20th of the month prior to the Board meeting. See "[Public Meetings Calendar](#)" for dates.
- **License Approval** - Board approval is required and the Board meets every other month.
- **Hardship** – To obtain an early review for an emergency license, see the "Hardship" criteria from the Board's website at: <https://www.tn.gov/content/dam/tn/commerce/documents/regboards/contractors/forms/HardshipRequestForm.pdf>

License Requirement

A "Contractor's" license is required first **prior** to contracting (bidding, offering to engage, or negotiating a price) for projects **\$25,000 or more**, when acting as one of the following:

- **Prime (General) Contractor** - Bidding or contracting directly with the "owner" of the project for work defined as contracting:
 - See T.C.A. § 62-6-102 for the definition of the contracting - Covers a very broad area, which includes construction, installation, movement, repair, for buildings, land, highways, etc.
- **Subcontractor** – Contracting directly with the contractor (*not to the owner*) to perform the following:
 - **Electrical, Mechanical, Plumbing, HVAC, Roofing**; and
 - **Masonry projects \$100,000 and up** (*includes all materials, equipment, and labor*).
 - Note: "Subcontractors" performing: drywall, painting, landscaping, carpentry, etc., would not be required to obtain a contractor's license whenever working for a contractor.
- **Construction Management** – When the value of the project is \$25,000 or more.

Contracting is defined as performs or offers a price, or bid to construct, supervise, superintend, oversee, schedule, direct, or in any manner assume charge of the construction, alteration, repair, improvement, movement, demolition, putting up, tearing down, or furnishing labor to install material or equipment; highway, road, railroad, sewer, grading, excavation, pipeline, public utility structure, project development, etc. (see T.C.A. §62-6-102).

Bidding requirements are defined in TCA §62-6-119, which states for projects **\$25,000 or more**, the prime (general) contractor must list: **Licensed Name (as licensed exactly), License ID#, Classification, Expiration Date**, and also list the same information for their subcontractor performing: **Electrical, Plumbing, Mechanical, *HVAC, and **Masonry subcontractors**. **Note: Geothermal contractors may be required to list their well driller license information from the Department of Environment and Conservation. **Masonry contractors are required for portions \$100,000 or more (includes materials and labor).*

Subcontractors: A contractor's license is NOT required for all subcontractors, those bidding directly to a contractor and not the owner, for projects such as: painting, excavation, landscaping, etc., **unless**, the subcontractors are performing **mechanical, plumbing, HVAC, electrical or roofing over \$25,000; and masonry** if over \$100,000 (*see the bidding guidelines*). *Note: Bidding to a homeowner acting as their own GC makes you a "Prime".*

Violations: A contractor who contracts, bids, offers to engage or obtains a permit without a license with proper classification and monetary limit, is in violation of T.C.A. §62-6-120. Their license may be denied or held up to six months. Therefore, would be ineligible to be awarded the project and could not participate in any re-bidding (would be required to interview with the Board to obtain license).

Deadline Dates for Board Meeting: There are no deadlines to submit applications. An assigned Board member reviews the applications for approval as they are submitted. Applications that are approved prior to a regularly scheduled Board meeting are ratified at the next regularly scheduled meeting. The only reason an application would be held up for a Board meeting is if the Board has questions about the application and needs to schedule an interview. The Board meets during the months of January, March, May, July, September, and November. The Board will usually stop scheduling any interviews two weeks before the Board meeting day to prepare for the Board meeting. To obtain an emergency review, the contractor may apply for a "Hardship".

OTHER LICENSES AND RESOURCES – Go to: <https://www.tn.gov/commerce/regboards.html>

- ▶ **Home Improvement** license is required (for those without a contractor's license) in the following counties: Bradley, Davidson, Hamilton, Haywood, Knox, Marion, Robertson, Rutherford and Shelby, for remodeling projects from \$3,000 to less than \$25,000.
- ▶ **Limited Licensed Electrician (LLE)** license in counties where Fire Marshal performs inspections less than \$25,000.
- ▶ **Limited Licensed Plumber (LLP)** license in counties where Fire Marshal performs inspections less than \$25,000.
- ▶ Alarm Contractors must have a CE license and register with the "Alarm Systems Contractors Board" at: <https://www.tn.gov/commerce/regboards/alarm.html>

OTHER AGENCIES

- ▶ **Fire Sprinkler Contractor** Firm and RME license at: <https://www.tn.gov/commerce/fire/permits-licensing/fire-licensing.html>
- ▶ **Local Government (City and County) Permits:** <http://www.mtas.utk.edu/gml-mtas.nsf>
- ▶ **Electrical Permits** https://www.tn.gov/content/dam/tn/commerce/documents/fire_prevention/posts/Fire_Electrical_Issuing_Agents.pdf
- ▶ **Workers' Compensation Exemption Registration** at: <https://tnbear.tn.gov/wc/>
- ▶ **Business Tax Licenses (City and County):** <https://apps.tn.gov/bizreg/>
- ▶ **Small Business Guide:** <https://www.tn.gov/ecd/small-business/bero-home.html>
- ▶ **Secretary of State:** <https://tnbear.tn.gov/Ecommerce/FilingSearch.aspx>



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Website: <https://www.tn.gov/commerce/regboards/contractors.html>
Customer Service: Contractors.Home-Improvement@tn.gov
Staff Email: Contractor.App@tn.gov

CONTRACTOR'S LICENSE APPLICATION PROCESS

INSTRUCTIONS

(See pages i-1 – i-23)

APPLICATION

(See pages 1-16)

-or-

Save Time, **Apply Online** at: <http://core.tn.gov/>

BOARD MEETING LOCATIONS

Month of Meeting	Tentative Locations
January	Nashville
March	Nashville
May	West TN
July	Nashville
September	East TN
November	Nashville

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LICENSE APPLICATION INSTRUCTIONS

Congratulations on your decision to become a licensed contractor with the State of Tennessee! We know how important a license is toward your livelihood and we are here to help. A contractor's license is required for projects \$25,000 or more, prior to contracting (bidding; offering a price; negotiating). Contracting without a license is a violation of the law punishable by monetary penalties and license may be denied. In addition, the law prohibits participating on a project or any re-bidding of the project. (See T.C.A. 62-6-120). For additional assistance, feel free to contact our office at 1-800-544-7693 or see our website at: <https://www.tn.gov/commerce/regboards/contractors.html> Note: There is not a reciprocal agreement to allow working without first obtaining a Tennessee license.

The following are steps to obtaining a license and may be performed in any order:

STEP 1 – TESTING: Contact testing center to schedule exam(s)

Examination and Registration Information - PSI Services, LLC, is the contracted test vendor for Tennessee contractor exams. All contractor license applicants must provide a copy of their Tennessee "Business and Law" exam score; and some applicants may be required to supply proof of "Trade" exams. There are various types of contractors; see list of classifications with trade exam requirements provided in the next pages of these instructions. The Board also looks at experience (*prefers three (3) years*); equipment; and financial information. PSI cannot advise contractors which exams to take and you would need to contact our office. More exam information is available from our website links for "[Contractor Classifications Outline](#)" and PSI's "[Candidate Information Bulletin](#)".

Business & Law Exam – Exam is open book and based upon the reference manual published by NASCLA: "*Contractors Guide to Business, Law and Project Management*". This may be purchased by NASCLA at: <http://www.nascla.org/> or PSI at: <http://www.psionlinestore.com/> The Business and Law exam is not required to be retaken when applying for reinstatement, additional licenses or a revision.

Trade Exams and Reciprocal Agreements – Exam is open book and based upon codes and books listed in PSI's "*Candidate Information Bulletin*" and this may be downloaded from <https://candidate.psiexams.com/> See reciprocity information for **trade exam waiver agreements**. More information on the website at: <https://www.tn.gov/content/dam/tn/commerce/documents/regboards/contractors/forms/ContBLCReciprocationwithTN.pdf>

Exam Testing and Qualifying Agent (QA) – The individual passing the exam on behalf of the licensed entity is considered the Qualifying Agent (QA). The license does not necessarily belong to the QA unless they are also the owner of the entity, as the license may be issued to a sole proprietor, corporation, partnership or LLC; the owner of the entity providing the financial statement, insurance, etc., and the license is issued in the exact name as on the financial statement. Individual's designated as the QA may be an owner, officer or full time employee with "Power of Attorney" (see *page 10 of the application*). A QA may be listed on up to two (2) licenses if they are a majority owner of one of the entities. There may be more than one QA on the license. Same person taking the "Business and Law" exam is not required to take the trade exam. Preapproval to take the exams is not required, except for the mechanical plumbing (CMC or CMC-A). The preapproval form is available at: <https://www.tn.gov/content/dam/tn/commerce/documents/regboards/contractors/forms/ContPlumbingExpApprovalWeb.pdf>

Exam Locations, Registration and Study Materials – Exam cost \$57.00; same day score provided; and exams are given daily in several locations throughout the state, as well as out-of-state. See "*Candidate Information Bulletin*" or check online for a list of exam locations, registration and study materials, ID, and security information (writing in reference books, tabs, using calculators, etc.) Exam dates are scheduled by appointments at: <http://candidate.psiexams.com/> or by phone: (800) 733-9267. Please notify our office if you are unable to obtain an appointment to take the exam if there is more than a two (2) week waiting period. PSI requires SS# and when registering online or by phone to take the exam. If you do not have a SS #, you may contact our office and we will be happy to work with getting you registered. Exam locations are available in Nashville, Chattanooga, Jackson, Memphis, Knoxville and Johnson City. Tennessee exams may be taken in other states where PSI has an office by requesting special accommodations.

Prior Licenses / Exams Passed – If applying for an additional license, reinstatement of expired license, merger, change of ownership, etc., if available, provide a copy of the exam score. If not, include a letter requesting waiver of retaking the trade exam (Business and Law is not required to be retaken). Our staff may research files for scores. Inactive applicant exam scores are typically accepted up to two (2) years, and longer if evidence is provided showing they have remained active in the construction industry (such as, subcontractor; working in another state; jobs less than \$25,000, etc.). Provide a written request to the Board, as part of your application, requesting waiver of the trade exam.

License Classifications – All new applicants must take the “Tennessee Business and Law” exam. Trade exams are not required for every category and the following are a list of exams offered which cover Building, Electrical, Mechanical and Masonry categories, as follows:

Trade Exams for Building Categories

Residential (BC-A);	Commercial (BC-B);	Industrial (BC-C);
Res/Small Com (BC-A,b(sm));	Res/Com/Ind (BC);	Small Commercial BC-b(sm);
Com/Ind (BC-B,C);	Masonry (LMC)	MU or MU-B (BC or BC-B exam)

For more detailed information relative to the different types of contractor license classifications and the exam requirements, a list has been compiled from Rule 0680—1-.16 and is available from the website at:

<https://www.tn.gov/content/dam/tn/commerce/documents/regboards/contractors/posts/ContClassificationOutlineWeb.pdf>

Examples of Building Trade Exams:

- *Build residential houses; take the BC-A (residential) trade exam.*
- *A construction manager is required to take the full BC trade exam.*
- *Build homes and commercial projects, (such as a doctor’s office, less than \$1,500,000), need the BC-A and BC- b(sm) exams OR the “combined” BC-A,b(sm); or the BC-B and BC are also acceptable.*
- *A BC-B or BC is needed to build a water/sewer plant or to obtain a full MU classification.*
- *Perform only landscaping, or roofing, or painting; excavation; etc., no trade exam (see Rule 0680-1-.16 for a complete list of 34 building subcategories or the Board’s website for “Classifications Outline”).*
- *Environmental remediation (S-D); no trade exam. Must supply applicable training certificates and experience (Lead Based Paint Removal; Asbestos; Underground Storage Tanks; Hazardous Waste Removal, etc.) to obtain “Specialty” environmental license classification.*
- *Communication/cell towers; no trade exam – specialty license (S-Cell Towers).*
- *Alarms/Security – Must obtain this license from the “Alarm Systems Board” or obtain a license by passing the CE (full electrical) classification and registering with the Alarm Systems Board at: <https://www.tn.gov/commerce/regboards/alarm.html>*
- *Masonry work in the amount of \$100,000 or more (as a sub or prime), the LMC trade exam is required.*
- *Perform wiring for residential homes; do not take the BC-A building exam. See the CE exam information below.*

Electrical and Mechanical Exam Categories

Electrical (CE)	High Voltage (CE-A, H)	Fire/Sprinkler (CMC-D)
Mechanical, Plumbing & HVAC *(CMC)	Plumbing *(CMC-A)	HVAC/Refrigeration (CMC-C)

*Effective May 24, 2007, must be [pre-approved to take the plumbing mechanical exam](#)

If you have taken a comparable proctored trade exam, with a Tennessee municipality, such as: Nashville, Knoxville, Oak Ridge, Chattanooga, etc., you may request a waiver. Also the check out-of- state reciprocity list.

Examples of Electrical and Mechanical Trade Exams:

- *Electrical wiring, less than \$25,000, may need the Board’s state LLE (Limited Licensed Electrician) license or local government. However, the CE electrical contractor’s license is acceptable statewide for permits and inspections. See website at: <https://www.tn.gov/commerce/regboards/lle.html>*
- *Plumbers performing projects less than \$25,000; may need the state’s LLP (Limited Licensed Plumber) or check with local government for permit and inspection requirements. See website at: <https://www.tn.gov/commerce/regboards/llp.html>*
- *Electrical inspections by the Fire Marshal’s office at: <https://www.tn.gov/commerce/fire/permits-licensing/fire-electrical-permits.html>*
- *Electrical over \$25,000; need the CE exam for electrical classification for contractor’s license. CE is accepted statewide to obtain local permits for inspections.*
- *Electrical transmission lines/sub-stations, need CE-A,H (high voltage) or CE exam.*
- *Performs residential wiring, CE trade exam covers residential, commercial and industrial wiring.*
- *Plumbing and HVAC/gas refrigeration; need full CMC (must obtain local permits for inspections).*
- *Performs process piping (welding); no CMC-B exam.*

- Alarm or security system licensees with Alarm Systems Board are exempt from the contractor's license. Or a contractor with a CE or CMC-C may register, in lieu of obtaining license with **Alarm Systems Contractors Board**: Check website or call (615) 741-9771.
- Installs telephone lines or computer cabling; no trade exam required. (CE-F or CE-G)
- Gas piping: A contractor with CMC, CMC-A or CMC-C may perform gas piping to water heaters, laundry equipment, kitchen equipment, and to appliances, gas grills, swimming pool heaters, gas logs, etc.
- Fire Protection/Sprinkler contractors must pass the CMC-D exam; must also obtain NICET certification and obtain **Firm** and **RME** license with the Department of Fire Prevention (615) 741-7190 <https://www.tn.gov/commerce/fire/permits-licensing/fire-licensing.html>
- Geothermal System requires a CMC-C exam; the well driller needs to be licensed with Department of Environment and Conservation (800-523-4873).
- Solar Panel Installation; specialty (no trade exam if hiring a licensed electrician to perform connections. Local government permits may require electrical license or required to hire a licensed CE contractor)
- Electric Meter Installation - CE-L; or S-Meter Installation (CE exam required)

The following trade classifications do not require an exam; based on equipment and experience: (Always check with local government for their requirements)

Building Subcategories such as: "Acoustical Treatments" (BC-1) through "Irrigation" (BC-33); no exam for up to five (5) subcategories. BC exam would cover all. (Refer to Rule 0680-1-.16 or see the "Outline of Classifications.") Others include: Landscaping (BC-29); Demolition (BC-31); Roofing (BC-21); Scaffolding (BC-34); etc. (LMC exam is required for BC-9 Masonry over \$100,000).

Low Voltage (less than 70 volts): Sound, Intercom, Fire Detection or *Alarm Systems (CE-D); Telephone Lines (CE-F); and Cabling (CE-G). *Check with the Alarm Systems Contractors Licensing Board at (615) 741-9771 for their exam. (See also "Specialties" listed below.) Local government may require license and inspections.

Heavy Construction (HC) such as: Marine (Docks, Harbor Improvements) HC-A; Dams, Dikes, Levees and Canals (HC-D); Structural Steel Erection (HC-1); Clearing, Grubbing, Snagging and Rip Rap (HC-5); Storm Damage Cleanup (HC-H); or Landfill Construction (HC-I).

Highway, Railroad and Airport (HRA) such as: Grading and Drainage (HRA-A); Base and Paving (HRA-B); Bridges and Culverts (HRA-C); Well Drilling (HRA-E.4) (well drillers must be certified with the Department of Environment and Conservation (TDEC). See website at <https://www.tn.gov/environment/permit-permits/water-permits1/well-driller-or-installer-license.html> Department of Transportation (TDOT) requires a license in order to be awarded a highway project; check their website for more information at: <https://www.tn.gov/tdot/business-how-do-i---/business.html>

Municipal Utility (MU) such as: Underground Piping (MU-A); Grading and Drainage (MU-C); Gas Distribution and Transmission Lines (MU-A,1). Sewer and septic tank contractors need to check with local health department. (MU and MU-B requires BC-B or BC exam!)

Environmental Specialties: Asbestos Handling (S-A); Underground Storage Tanks (S-B); Lead Based Paint Abatement (S-C); Hazardous Waste Removal (S-D); Air, Water or Soil Remediation (S-E); or Mold Remediation (S-F); (must attach designated qualifying agent's (QA) training certifications and resume in these areas). These contractors may need to check with the Department of Environment at: <https://tdec.tn.gov/>

Specialties: Specialty license classifications are for unique types of contracting where the Board specifies the exact type of work you perform, such as: S-Communication/Cell Towers; S-Equipment Installation; S-Above-Ground Storage Tanks; etc.; S-Installation of Paint Finishing Equipment; S-Audio Video; S-Sprayed Fire Proofing; S-Cooling Tower; S-Furniture and Equipment, S-Solar Panels, etc.

Medical Gas certification is required by the American Medical Gas Institute (AMGI) or the Piping Industry Progress and Education Trust Fund (PIPE), with a minimum of 32 hours of training, with eight (8) of these hours in brazing. You may also check with the National Inspection Testing Certification (NITC) for local certification locations at 877-457-6482.

Note: Contractors with non-tested trades or specialty license classifications, cannot perform any electrical, mechanical or plumbing in excess of \$25,000, and would be required to subcontract to properly licensed contractors. Example: A contractor with classification "S-Food Service Equipment" would be required to hire a licensed mechanical contractor to perform refrigeration portions in excess of \$25,000.

The law requires a contractor's classification to cover 60% of the project or have a commercial (BC or BC-B) classification. Any portions over \$25,000 would need to be subcontracted to properly licensed contractors (T.C.A. 62-6-111).

Qualifying Agent (QA) - Who may be designated to take the exam?

- **Individual/Sole Proprietor:** Owner (or family member *employee)
- **Partnership:** Any or all Partners or full-time *employee
- **Corporation:** Major stockholder or full-time *employee
- **Limited Liability Company:** Owner or full-time *employee

Power of Attorney (See page 10 of the License Application)

*Employees designated as **Qualifying Agents (QA)**, must provide a "Power of Attorney" (see page 10 in the application), unless, they have majority ownership. Pursuant T.C.A §62-6-115, they must have sufficient knowledge of the construction business to bind the business.

- A QA cannot be listed on more than one license, unless they have majority ownership.
- Social security number must be provided, however, any public records request will have this number redacted, and not released.
- If the QA leaves, notify the Board within 10 days, Rule 0680-1-02(3)(e). The contractor may continue to operate and has three (3) months to replace the QA. The license belongs to the owner of the entity, one providing financial statement, insurance, etc., and does not belong to the QA, unless they are also the owner.

Study Guides

Refer to the test vendor, PSI's "Candidate Information Bulletin" for an outline of exam and materials or review from the Board's website or at PSI:

https://candidate.psiexams.com/bulletin/display_bulletin.jsp?ro=yes&actionname=83&bulletinid=200&bulletinurl=.pdf

Restricted/Limited Residential License (BC-A/r)

In lieu of taking the exams ("BC-A" residential trade exam and "Business & Law" exam), residential contractors wanting to construct homes for **less than \$125,000**, may take a "Limited License" course with their local community college or vocational school. The contractor MUST comply with all other application requirements as the examinations are waived, only. A contract or permit valuation cannot exceed the monetary limit which includes contractor's cost of land and profit; not allowed to joint venture or perform home inspections; and in order to increase, must take the exams and provide a reviewed financial statement. The classification for this license is "BC-A/r". For a list of these schools, please refer to our website, see "Section 4" at:

<https://www.tn.gov/commerce/regboards/contractor.html>

Reciprocity with other States (Trade Exam Waiver) *(See page 11 for License Verification form)*

A **trade exam waiver** agreement exists with several licensing state agencies in Alabama, Arkansas, Georgia, Louisiana, Mississippi, North Carolina, Ohio and South Carolina. The Board will also accept the NASCLA National commercial exam.

The reciprocating state must be the applicant's home state; if not, their exam must be comparable to PSI's exam. Attach a copy of license and exam score with verification form. Must also pass the Tennessee "Business and Law" exam and complete entire license application process.

Special Accommodations

- **PSI – Exam Vendor:** PSI has provisions to make special arrangements. In addition, ADA access information is provided in their "Candidate Information Bulletin" of exam information. You may contact them at (800) 733-9267.
- **Board Office** - The Tennessee Department of Commerce and Insurance is committed to principles of equal access. If you need assistance, please contact our office and ask for the Human Resources ADA coordinator at (615) 741-8307.

STEP 2 – FINANCIAL STATEMENT: Contact a Licensed CPA (Licensed Certified Public Accountant)

Licensed Accountant - Contact a Certified Public Accountant (CPA) actively licensed and may be from the state where your business resides/operates. In Tennessee, you may check at <http://verify.tn.gov/> to verify CPA is properly licensed as both a Firm and as CPA. For information regarding out-of-state <https://cpaverify.org/> or for International requirements, you may review the website at: <https://nasba.org/international/>

Name and Mode of Operation - Your CPA will need to know the mode of operation and the business name in which you plan to perform business. The law prohibits using a **similar name** to another licensed contractor and you may check names at the license search at: <http://verify.tn.gov/> to prevent obtaining a new financial statement, etc., if the name is taken.

The CPA must prepare a financial statement as follows:

- A "Reviewed" or "Audited" financial statement must be provided on the entity or individual obtaining a license and it must be prepared by a properly licensed Certified Public Accountant (CPA), pursuant T.C.A. § 62-6-111.
 - **Reviewed** opinion (required for a monetary limit of **\$3,000,000 or less**)
 - **Audited** opinion (required for a monetary limit **exceeding \$300,001 to Unlimited**)
- Financial statements must be prepared according to "**Generally Accepted Accounting Principles**" (GAAP)
 - Compiled is **NOT** acceptable
 - Income tax basis is **NOT** acceptable

- Contractor licenses are issued according to the exact **NAME** appearing on the **financial statement** and the name should match on ALL related information, such as the “Charter”, “Articles of Organization”, “Line of Credit”, “Contractor’s Affidavit”, “Guaranty” or “Bond”, “Certificate of Insurance”, etc.

Monetary Limit Determination

The monetary limit is the total dollar amount per each individual contract or project, with a 10% tolerance (*except for BC-A/r*). A project cannot be split into multiple contracts or phases to circumvent the license law. It is a violation of the law to exceed the monetary limit designated on a license. Contractors or their subcontractors exceeding the monetary limit is a cause to reject the bid and prohibits rebidding or participating on the project.

Example: Monetary limits are based on the maximum of “10 times the lesser” of both working capital and net worth, plus experience listed as working on these size projects (*may be while working for other contractors or subcontracts, etc.*). A license limit of \$150,000 must show working capital and net worth of at least \$15,000. Since the limit is based on the lesser of the two, a contractor with a working capital of \$10,000 and net worth of \$200,000 would qualify for \$100,000, if experienced on these size jobs. The contractor in this example may supplement a “Line of Credit” in the amount of \$5,000 to increase working capital or submit a supplemental financial statement with Guaranty indemnity; or accept the lower limit of \$100,000.

Unlimited License Limit

To obtain an unlimited license, the contractor must show \$300,000 in both working capital and net worth; experience, and an “Audited” financial statement. An audit is not required at renewal to retain this limit.

Working Capital and Net Worth

Please ask your CPA to determine the amount of your working capital and net worth (*see “Worksheet” on page 6 of the application*). Working capital is “current assets minus current liabilities”. Net worth is “total assets minus total liabilities”. Monetary limit is based on the lesser of both net worth and working capital, times 10; and experience.

Financial statement- A balance sheet listing all of the assets and liabilities of the entity holding the license:

- The balance sheet should not contain personal assets or liabilities
- A classified balance sheet is preferred over an unclassified balance sheet (*classified separates assets and liabilities into current and non-current, long-term*)
- The financial statement must be in **exactly the same name as licensed**
- The balance sheet should contain a full date, including the month, day, and year
 - Those dated in excess of 12 months are not considered current (may provide explanation if it is a corporation with a year-end statement in process)

Guide to Classifying Assets and Liabilities:

CURRENT ASSETS are cash and those assets that are reasonably expected to be realized in cash or sold or consumed within one year or within a business’s normal operating cycle if it is longer. Generally, current assets include the following:

- Cash and cash equivalents available for current operations
- Marketable securities representing the investment of cash available for current operations, including investments in debt and equity securities classified as trading securities.
- Underbillings on work in progress

- Inventories (to include materials and/or houses built for sale). Also, developed lots for sale. Raw, undeveloped land is not a current asset.
- Retirement Plans, specifically an IRA, 401K and Profit Sharing, will be allowed at 50% (personal IRA's are not allowed on a Company Financial Statement)
- Cash surrender value of life insurance policies (supply documentation on personal statements for it to be considered)
- Trade accounts receivable and notes and other receivables that are expected to be collected within one year. *(Note: If accounts receivable provide the majority of working capital, the Board may require an update as to the collection of these accounts before allowing full value.)*
- Prepaid expenses such as insurance, interest, rents, taxes, etc.

NONCURRENT ASSETS are not current assets since they generally are not expected to be converted into cash within one year:

- Related party or owners receivables (not allowed as a current asset)
- Cash restricted for special purposes (Restricted cash may be classified as a current asset if it is considered to offset maturing debt that has been properly classified as a current liability)
- Long term investments
- Receivables not expected to be collected within one year
- Land and other natural resources
- Depreciable assets (buildings, equipment, tools, etc.)
- Prepayments/deferred charges that will not be charged to operations within one year
- Notes receivables from stockholders (*Board does **not** consider these as current assets*)

CURRENT LIABILITIES are obligations whose liquidation is reasonably expected to require (a) the use of current assets or (b) the creation of the other current liabilities. Generally, current liabilities include the following:

- Line of Credit balances and credit card balances
- Payables for materials and supplies
- Amounts collected before goods or services are delivered (overbillings on jobs in progress)
- Accruals for wages, salaries, commissions, rents, royalties, and taxes
- Other obligations, including portions of long-term obligations, that are expected to be liquidated within one year*

LONG TERM LIABILITIES do not include long term notes, bonds, and obligations that will not be paid out of current assets.

*If listing a long term liability, you should classify the portion of the liability due within one year as a currently liability. If no current portion of the liability is listed, then a percentage of the liability will be classified as current for the purpose of determining working capital.

Indemnities - Guaranty Agreement and Bonds

An indemnity such as a "Contractors License Bond" or "Guaranty Agreement" with a personal or parent company financial statement may be needed for the following:

- Contractors submitting "cash" only financial statements without fixed assets are considered *deficient. May be required to submit an indemnity, such as a guaranty with their supplemental personal/parent financial statement or Bond, in addition to the CPA's review or audit.
- Contractors needing to supplement their working capital and/or net worth for their monetary limit, may use with their personal/parent financial statement at 50% value with Guaranty.

- Contractors whenever their company (subsidiary) is owned by another entity (parent), must supply an indemnity (indemnities require a supplemental financial statement).
- Subsidiary contractors, which are without a reviewed or audited financial statement, may submit a request for the board to accept an in-house financial statement in the name to be licensed, with their parent company's audited or reviewed statement, and a signed "Guaranty Agreement" or "Contractor's License Bond".
- If the parent cannot provide a "Guaranty Agreement" they may request the board to consider a \$500,000 or \$1,000,000 bond in the Board's format, by a bonding/insurance provider. This bond would not be accepted in lieu of providing a financial statement. Contact the Board office for bond format. More information on the website at: <https://www.tn.gov/content/dam/tn/commerce/documents/regboards/contractors/forms/ContBLC-GuarantyAgreementPolicy.pdf>

*Note: Indemnities are required by the Board whenever the financial statement is deficient (*no fixed assets*). Rule 0680-1-.13 and T.C.A. 62-6-111(4)(b)]. Financial guidelines adopted by the Board on 5/19/2003 and 9/24/2012.

New start-up businesses: Contact your accountant (CPA) for advice on the best mode of operation to operate your business. Accounts, such as a checking account, will need to be in the business name. The law requires contractors to operate in the exact name as licensed and the financial statement will need to be in this same name. Your accountant may advise whether more capital needs to be placed into the business account to obtain the desired monetary limit and the time limit required. Your CPA will need to prepare a "Review" or "Audit" on your contractor's business account.

It is important to list more than just primarily "cash" on a financial statement and to include equipment, land, buildings, vehicles, etc., items used to do business. Any contractor failing to supply a business financial statement and provides a financial statement listing primarily "cash", this is considered "deficient" of Property, Plant and Equipment (fixed assets) and not acceptable. An option for the Board to utilize such a statement would require providing an indemnity or guarantee (*see Rule 0680-01-13*), in addition to the "Reviewed" or "Audited" financial statement for the licensed entity.

Indemnities such as a "Guaranty Agreement" require supplying a "supplemental" personal financial statement, in addition to the reviewed or audit (supplemental financial statements are not required to be prepared by a CPA and may be self-prepared or compiled). A contractor supplying an indemnity is making themselves personally liable, as well as anyone else listed on the personal financial statement (spouse) for their business obligations. For this reason, it is discouraged by the Board for a contractor to supply a cash only financial statement to obtain their desired monetary limit. For those needing a large amount indemnified; or if a parent company cannot supply a Guaranty Agreement, then another option would be for them to supply a "Contractor's License Bond" in the Board's format (provided in lieu of the Guaranty Agreement). See more information on website at: <https://www.tn.gov/content/dam/tn/commerce/documents/regboards/contractors/forms/ContBLC-GuarantyAgreementPolicy.pdf>

Line of Credit (see page 9 in the License Application)

A Line of Credit (LOC), in the Board's exact format, in the exact name as financial statement, may be considered to supplement working capital, only. The LOC must come from a FDIC approved bank, savings and loan institution. The sample format is located in the contractor's application. If working capital is negative, the Board may consider no more than 50% percent of LOC. The Board will not issue a license based on the sole value of a LOC and must accompany their entity's CPA prepared financial statement. In lieu of a LOC, and indemnity may be supplied.

(Financial statement documents are considered confidential and not public information)

INFORMATION FOR FINANCIAL STATEMENTS
(Check with your CPA on this information!!)

NOTE TO CPA: Please advise your client of their working capital, net worth and monetary limit and that our in-house auditor will make a determination based upon the criteria by the Board as to the amount determined prior to the Board meeting.

ALL applicants MUST have either a REVIEWED or AUDITED financial statement prepared by a Certified Public Accountant in accordance with T.C.A. 62-6-111.

COMPILED STATEMENTS AND STATEMENTS PREPARED ON INCOME TAX BASIS WILL NOT BE ACCEPTED!!

- Licenses will be issued in the **EXACT** name that appears on the financial statement. Be sure that the name on the financial statement and the name throughout your application are the **EXACT** same. (If a spouse's name is on the statement, such as "John and Mary Jones", the license will be issued as "John and Mary Jones"). If a corporation, must match as registered.
- Request for monetary limits **GREATER than \$3,000,001.00** requires an **AUDITED** financial statement.
- Request for monetary limits **EQUAL TO or LESS THAN \$3,000,000.00** require a **REVIEWED** or **AUDITED** financial statement.
- **ALL** financial statements **MUST** be prepared by a **CPA**. Their accountancy licenses (as a firm and CPA) must be current and in good standing.
- **ALL** financial statements **MUST** include the following:
 - 1) CPA signed opinion letter. This will provide the opinion on the licensee or applicant exactly as the license will be issued.
 - 2) Balance sheet. The balance sheet must list the assets (separated into current and long term); and the liabilities (separated into current and long term) based on the Generally Accepted Accounting Principals (GAAP).
 - 3) Notes to the financial statement. This is requested to explain to the Board how the figures were determined.
 - 4) Audited statements must include the profit and loss statement and cash flow statement.

Note: The Board considers retirement plans, profit sharing plans, IRA's, 401-K's, etc., at **50%** of their value. This is to allow for tax liability. If the majority of working capital is from receivables, the Board may require more information.

FINANCIAL STATEMENTS MUST BE PREPARED ON YOUR CPA'S OWN FORM. Financial statements **MUST** be current (within the last twelve (12) months). If later, must provide a written explanation with time in which a new year in statement will be available with a request to use until that time. In addition to a reviewed or audited financial statement, the Board may require an indemnity or personal financial statement with a Guaranty Agreement if an operating statement was not submitted with fixed assets or cash only. The personal financial statement does not have to be prepared by a CPA.

INFORMATION FOR MONETARY LIMITS

NOTE: CPA - Please advise your client of their working capital and net worth

Monetary limit is based 10 times the LESSER of WORKING CAPITAL, NET WORTH and EXPERIENCE! Example: A monetary limit for \$100,000 would require \$10,000 in working capital and net worth (plus experience). (Note: For bidding purposes, there is a 10% bid tolerance to the monetary limit assigned.)

Working Capital = your **current** assets *MINUS* your **current** liabilities.
Net Worth = your **total** assets *MINUS* your **total** liabilities.

Example #1:

Current Assets:		\$ 20,000.00	Total Assets:		\$ 20,000.00
Current Liabilities:	-	\$ 10,000.00	Total Liabilities:	-	\$ 10,000.00
Working Capital:	=	\$ 10,000.00	Net Worth:	=	\$ 10,000.00

Monetary Limit Qualify: \$100,000.00 (must show experience, too!)

Example #2:

Company Working Capital:	\$ 20,000.00	Company Net Worth:	\$ 20,000.00
Personal Working Capital:	\$ 2,000.00	Personal Net Worth:	\$ 100,000.00
50% of Personal Working Capital:	\$ 1,000.00	50% Personal Net Worth:	\$ 50,000.00
Line of Credit:	\$ 10,000.00		
Total Working Capital:	\$ 31,000.00	Total Net Worth:	\$ 70,000.00

Monetary Limit Qualify: \$300,000.00 (must show experience, too!)

STEP 3 - LETTER OF REFERENCE

Reference Letter (See page 5)

The "Letter of Reference" is required by all applicants (*including second and reinstatement licenses*). It must be completed by a past client or employer, who can comment about your construction work/experience, OR a code official who has inspected your work (not from a relative). Only one reference letter is necessary. Please include and attach the completed reference with your application. (*The reference does not have to be from a Tennessee resident/firm.*)

STEP 4 – PROOF OF INSURANCE

Insurance

A "Certificate of Insurance (COI)" is required in order to apply for a contractor's license. The COI must include policy numbers, expiration date, and the "Board for Licensing Contractors" with address must be listed as the "Certificate Holder". Please turn in with the application; do not have the insurance company send separately.

https://www.tn.gov/content/dam/tn/commerce/documents/regboards/contractors/forms/ContInsuranceInfo_001.pdf

- **General Liability** - The Board has established minimum amounts for General Liability at three (3) levels based on the monetary license limit requested:
 - Monetary Limit - Up to \$500,000 = \$100,000 of minimum coverage;
 - Monetary Limit of \$501,001 to \$1,500,000 = \$500,000; and
 - Monetary Limit exceeding \$1,500,001 to Unlimited = \$1,000,000.

- **Workers' Compensation** - Required for all contractors applying for a license, unless: 1) The contractor does not have any employees; and 2) the license owners/employer has met the criteria to be exempt or provided proof of registration as a "Construction Services Provider" with the Secretary of State at: <https://tnbear.tn.gov/wc/>

- **Employee or Independent Contractor**
See the Department of Labor and Workforce Development's "Employer Guide" at <https://www.tn.gov/workforce/injuries-at-work/available-resources/redirecr-available-resources/a-beginner-s-guide-to-tn-workers--comp.html>

STEP 5 – CORPORATIONS AND LIMITED LIABILITY COMPANIES

Tennessee Secretary of State

The Secretary of State's office is responsible for business filings and may be contacted at (615) 741-2286 or visit their web site at: <https://sos.tn.gov/business-services/business-entity-filings>

- Tennessee corporations, out-of-state (foreign) corporations, limited liability company or a limited/general partnership must register with the Tennessee Secretary of State's office and submit proof with their license application, such as a copy of their "Certificate of Authority" or "Articles of Organization" (must be in the same name as on their financial statement).
- Obtain business licenses for local government at: <https://apps.tn.gov/bizreg/>
- Local government permits and inspections contacts are at: <http://www.mtas.utk.edu/gml-mtas.nsf>

Contractors may change their mode of operation after licensed, through the "Revision" process. Note: Must operate in name and mode of operation in the legal entity, as licensed!

STEP 6 – COMPLETE APPLICATION / EXPERIENCE / AFFIDAVIT (SIGN AND NOTARIZE)

License Application (Pages 1 – 16)

All questions must be answered or it may be returned. If more space is needed, you may enter "See Attachment". List all experience, which may be from working in other states or with other construction companies, as well as, from your all owners/officers/qualifying agents. Resumes may also be attached.

Attachments – Reference letter; Certificate of Insurance; Financial Statement; Exam Score copies (keep originals); Experience; Equipment List; and applicable pages of the application. See "Checklist" on page 16 to aid in making sure everything is provided.

Social Security Numbers - Social security numbers (SS#) are required when applying for a license (*Authority: 42 U.S. Code §666*) and considered confidential; not a matter of public record. When registering for an exam with PSI, it is requested, however, if an individual does not have a SS#, contact our office for special arrangements to be made with PSI.

Eligibility Verification for Entitlements Act (EVEA) (See pages 13-15 of License Application) Individuals applying for a license must verify their U.S. **citizenship status** or lawful presence. Please review the instructions, attach any applicable identification, and **page 14** must be signed and provided with the license application.

Contractor's Affidavit / Disclosures (See page 4 of License Application)

Affidavit must be signed and notarized by all applicable individuals (qualifying agent, owner(s), partners, members, main officers and major stockholders). For large corporations, with several officers, please list at least three (3) who have the authority to act on the company's behalf. Attach an explanation on items where it is applicable.

- Applicant must inform the Board of the following: Felony conviction(s); Judgments, Discipline, and Complaint history (open and closed cases); Court actions, including those pending litigation or legal arbitration proceedings, bankruptcy, or violation of license law, etc., including those in other states. (See T.C.A. § 62-6-118). Be sure to include a detailed explanation (see outline below). Convictions must include court documents and proof of probation release, a certified background check and reference letter from parole officer.)
- An **interview** with the Board is typically required when there are such **disclosures or a complaint history**. The license may be denied depending on each individual matter **or** for failing to disclose this information. However, the full Board will judge on merits with respect to time, circumstances, and seriousness. Failure to submit this documentation may delay the review process. A license may be held for up to six (6) months for license law violations. (*May copy affidavit form for each signature or include all on one*).

I. Felony Conviction(s) – Disclosure on Affidavit

If you have been convicted of a felony in any jurisdiction (Tennessee or any state), this requires disclosure and providing information regarding the felony(s) for the Board to review. The applicant must provide the following:

- 1. Written statement from you explaining conviction with the following information:**
 - a. Age at time of conviction
 - b. Description of crime
 - c. Activities that lead to conviction
 - d. Improvements, changes or clean criminal history since conviction
- 2. A copy of the official charging document (court order)**
 - a. Proof of sentence, amount of time served, probation time; and disposition (final outcome)

3. Proof of release from probation

- a. Released at a minimum of one (1) year without new arrests

4. Character Reference

- a. May be from parole officer, pastor, etc.

5. Background Report of [Tennessee Criminal History](#) from Tennessee Bureau of Investigation (TBI) and State in which convicted

- a. If you have resided in this state for less than 5 years, also include a report from prior state of residence or the state in which you were convicted.

II. Judgments/Discipline/Complaints – Disclosure on Affidavit

If you have a complaint history (open, closed or dismissed) with the Board or any agency; or construction related liens/judgments (paid; unpaid; pending) from any court; or disciplinary action taken by another licensing or permit agency (in-state, out-of-state, or local government); or court action involving consumer protection violations, please provide an explanation, as well as the findings or status.

- a. Supply attachment with description of findings, action and status.
- b. An interview with the Board is typically required

STEP 7 – APPLICATION PROCESS - \$250.00 LICENSING FEE

Once the application is complete (*see also Checklist on page 16 of the application*), send with the **\$250.00** (nonrefundable) two (2) year license application fee, made payable to: **State of Tennessee**. Payment may be by check (*company, personal or cashier check*) or money order; do not mail cash and credit cards are not yet acceptable. You may [apply online](#) or mail to:

**Tennessee Board for Licensing Contractors
500 James Robertson Parkway
Nashville, TN 37243-1150**

Please allow 5 to 7 business days for mail delivery, unless applying online. Express mail arrives to us within two (2) days (*goes to the mailroom/cashier's office first*). Always make a complete copy for your records. Note: If hand-delivering application to be reviewed, the Welcome Center is located on the 1st Floor of the Davy Crockett Tower. Our office cannot accept fees and must take to the "Cashier's" office which is co-located with the welcome center. See "Checklist" on page 16 of the application to assist in providing all required information.

Application Deadline

There are no deadlines to submit applications. An assigned Board member reviews the applications for approval as they are submitted. Applications that are approved prior to a regularly scheduled Board meeting are ratified at the next regularly scheduled meeting. The only reason an application would be held up for a board meeting is if the board has questions about the application and needs to schedule an interview. The Board meets six (6) times annually during the following months: January (Nashville); March (Nashville); May (West TN); July (Nashville); September (East TN); and November (Nashville). Meeting locations are tentative and subject to change. See "Public Meetings Calendar" on the website.

Hardship/Emergency Early Review Requests - Early review of the application may be made prior to Board meeting, however, must follow the special guidelines as provided on the website by emailing or faxing the application, or applying online.

<https://www.tn.gov/content/dam/tn/commerce/documents/regboards/contractors/forms/HardshipRequestForm.pdf>

Military Spouses may apply through hardship process for early review (T.C.A. § 4-3-1304).

Processing - Please allow at least three (3) weeks for processing your application before making telephone or email inquiries. Due to limited staff, inquiries delay processing applications. Contractors will be notified by mail and/or email of the time, date and location of the Board **interview**, if required or whether the interview has been **waived**. If information is lacking, you will be contacted to provide the information in order to be reviewed by the Board. Meeting dates/locations are available on the website. You may check the website to confirm receipt of application in process at: <http://verify.tn.gov/> - Do not contract until you receive license certificate in the mail with current expiration date.

STEP 8 – BOARD REVIEW / INTERVIEWS

Interview - An **interview** with a board member at the meeting **may** be required for the following: Qualifying Agent (QA) is not a majority owner and employed less than six (6) months; Experience – Insufficient amount listed for the monetary limit requested; and/or if there are issues such as: Complaint history; judgments; felony convictions; bankruptcy; etc., or failure to disclose such issues. Whenever an interview is required, the QA is required to interview. If the QA is not a majority owner, then both the QA and an owner; or QA and an officer, must **both** attend the board meeting. An admission letter of the time, date and location of the meeting will be sent to those required to interview.

- Those required to **interview**, this is informal and takes no longer than 30 minutes. However, due to several contractors scheduled, there may be a **timely wait**. Board members in your field of expertise usually perform the interview. For example, an electrical Board member will interview those applying for an electrical license, and the mechanical contractor interviews the plumbing and HVAC contractors, etc. At the interview, the application is reviewed and general questions will be asked about contracting experience and to ensure the license classification covers your type of projects. You may use this time to ask the Board member advice or the staff questions concerning the licensing law. There is no dress code requirement.

Interview Waived – Files are reviewed prior to the Board meeting and those granted waiver of the interview will be sent a notification letter. However, the license does not get granted earlier and must be approved at the Board meeting.

Board Review - See the “Public Meetings Calendar” for the Board meeting schedule. The law requires the full Board to vote to approve all licenses in order to be issued. Contractors granted a hardship for early review are ratified at this meeting for issuance.

FINAL STEP – LICENSE ISSUED / RENEWAL 2 YEARS

License Issuance

Upon approval by the Board, the license will be issued for two (2) years. These may be confirmed online at “Verify a License” on the website at: <http://verify.tn.gov/> within 3 to 7 business days. The license will have your **license name, ID number, classification, expiration date and monetary limit** (*contains same information required to be on the outside of a bid envelope for primes and subs*).

Renewal

Renewal notices are mailed 90 days prior to expiration date and will include your Indv/Org# to renew online. Renewal should be submitted to the Board 30 days prior to the expiration date to avoid contracting on an expired license, which would be considered unlicensed activity. There is not a grace period to operate while expired! For example, if your license expires on 7/31/2018, on August 1, 2018, a permit would be denied. Contractors are required to supply a *financial statement, proof of insurance, response to renewal questions and disclosures, and the fee is \$200. Corporations and LLCs must ensure their corporate status with the Tennessee Secretary of State’s office is active. Contractors have renewal rights for up to **12 months (*must reinstate through new application process after 12 months*). Late fee per month is \$20. Contractors may retain renewal rights by placing the license in “Retirement” for \$50 or may retire up to 7 years (\$25/year).

➤ ***Renewal Financial Statements**

Contractors with a monetary limit of \$1,500,000 or less, a self-prepared or compiled financial statement for renewal is acceptable. Contractors with a limit \$1,500,001 to Unlimited may provide a Compiled, Reviewed, or Audited financial statement from their CPA (Review or Audit are not required to renew).

➤ ****Reinstatement of Expired License**

A license expired in excess of 12 months cannot be renewed; a new license must be obtained by the “Reinstatement” process (listed below).

Reinstatement of Expired License (*Check “Reinstatement” on Page 1 of License Application*)

The contractor must complete the new license application process to reinstate a license expired more than 12 months. This requires completing all of the new license application process, with the only exception, **waiver of retaking trade exams** (*Business and Law is not required to be retaken*). If a license has been expired more than two (2) years, the contractor/Qualifying Agent (QA) may provide a letter to the Board requesting waiver of retaking the trade exams. The staff cannot waive the trade exam and requires Board approval. Typically, if experience is provided with the letter showing the contractor/QA has remained active working in the industry, then the Board may consider waiving the trade exam. This may include working for another contractor; performing work in which a license is not required (*less than \$25,000 or as a subcontractor*); or working in another state. If you do not have a copy of the trade exam scores, our staff can pull these from the license file. If original license was obtained prior to exams (1987), the Board may require taking the trade exam.

Retirement of License

A license may be placed in retirement in lieu of renewing by completing retirement application with \$25.00 for each year to be retired (up to 7 years). Retirement does not require a financial statement or proof of insurance. May reactivate by completing license renewal.

Merger/Change in Ownership/Reorganization *(Check "Merger" on Page 1 of License Application)*

Whenever there is a merger; change of ownership with majority change coming from new owners/stockholders, or in the case where a partnership dissolves; or reorganization; the law requires applying for a new license. The Board will allow a contractor to continue to operate **up to 90 days** on existing projects if the license is active, however, cannot operate in the new name. All steps are required except, exams do not have to be retaken as long as the qualifying agent (QA) remains with the company.

Second or Additional Licenses / Multiple Businesses *(See Page 1 of License Application)*

Contractors, who own more than one business, may only bid or contract in the exact name as licensed. Even though they own both entities, they cannot bid or contract under the separate business or subsidiary's name and would be required to apply for an additional license in order to operate under another entity. This includes **franchises**. To obtain an additional license, this requires completing the new license application process with the exception, exams are not required to be retaken. Check the box on "Page 1" of the new license application as "Second/Additional License" and list your other license(s) numbers to flag staff to use same exam scores.

Revisions/Changes – Mode, Name Change, Add Classification or Increase Limit

Contractors may request revisions such as, an increase of monetary limit, add a classification, or name change, by requesting a **revision** application. Changes in the "Mode of Operation" such as changing from a sole proprietor to a corporation or LLC must complete a change in mode of operation (transfer). (Law requires new application for dissolving a partnership). A license cannot be transferred to another business entity and requires completing a new license application. The Board reviews all revision requests as they are submitted, and may require interviews at the board meetings if the board has questions. For early reviews, there is a hardship process. More information is at the Applicant Resources "Forms and Downloads" section of our website. You may also apply online for a revision.

Address Changes

Make sure to notify the Board of any address change, as State mail is not forwarded. Whenever providing a Post Office box or utilizing a Private Mailbox Provider (PMB), a physical address must also be provided. The statute requires reporting changes within 30 days. Address changes may be made online.

Bidding Requirements /Contracting

Contractors must be licensed in Tennessee **prior** to contracting, bidding, negotiating, or making an offer *(unless with TDOT – Tennessee Department of Transportation)* and must contract in the name as licensed or it may be considered unlicensed activity which prohibits bids to be awarded or allowed to rebid.

- **Bid in Name as Licensed** - Contractors licensed as an individual, such as “John Jones” and bids as “John Jones, Inc.” is considered an unlicensed entity and should change the mode through the license revision process (*LLC, corporation or partnership*) or obtain second license, prior to bidding in new name. (See [“Bidding”](#) summary on the website.)
- **List Information on Bid Envelope** – Name, license ID number, classification, and expiration date, is required to be on the **outside of a bid envelope** for the prime contractor and also the subcontractors for: Electrical (CE); Plumbing (CMC-A or CMC); *HVAC (CMC-C or CMC); and Roofing (BC-21 or BC-12 or BC) when their portion of the bid is \$25,000 or more; Masonry (LMC) if \$100,000 or more (includes materials and labor), must also appear on the outside of the bid envelope (see *TCA 62-6-119*).
 - **Geothermal Well Driller** - For each vertical closed loop **geothermal** heating and cooling project, the company name, Tennessee Department of Environment and Conservation ([TDEC](#)) license number, classification (G, L or G,L) and the expiration date must also be listed.
- **Subcontractors – License Required**
 The only subcontractors, those bidding directly to a contractor, required to be licensed as a contractor are those bidding **\$25,000 or more** for the following: **Electrical, Plumbing, Mechanical** (*mechanical includes fire protection and sprinklers, process piping, boilers, etc.*); **HVAC, Roofing, and *Masonry (LMC)**. See bid envelope information above for requirements to list subs on bid envelope.

**Masonry (LMC) – Contractor’s license required for projects of \$100,000 or more as a “subcontractor”. As a prime contractor, masonry contractors must be licensed when the project is \$25,000 or more.*
- **Subcontractors – License Not Required**
 Subcontractors other than those listed above are not required to be licensed when contracting with the contractor. Examples include the following types of work: Painting, Framing, Landscaping, Excavation, Flooring, S-Specialties such as S-Equipment Installation; S-A etc.,

Bid Preference Law – Out of State

For those contracting in other states bordering Tennessee, our state requires the same of nonresident contractors as they do of resident contractors. This statute is found in T.C.A. 12-4-801 and states if a nonresident’s home state gives a preference to their residents, we apply the same criteria.

Joint Ventures

Both contractors must be licensed in the classification to cover the job in order to bid together to combine their monetary limit.

Complaints

Contractors must disclose whether they have a history of construction related complaints (closed or open); and past or pending judgments.

Get Notified

You are encouraged to register with the Department’s email list to be notified of important law or rule changes, or to receive newsletters at: https://apps.tn.gov/notify-app/sign_up.html

SAVE TIME, APPLY ONLINE!

<http://core.tn.gov/>

In lieu of completing the attached paper application, you may apply online. You may pay by credit or debit card or e-check (no additional fees for using online). In addition, online applications are processed much quicker. Paper applications must first go through the cashier's office and mailroom to be scanned to us (our office is now paperless).

The online application process allows you to also make address changes, print duplicate license certificates, apply for license revisions and may also renew online.

Video tutorials are available for setting up an online licensing account and you may contact the Customer Service Center should you need assistance or need to reset your password.

When applying online, you'll need to scan each of these documents (separately) to attach to the online application:

1. Financial Statement
2. Certificate of Insurance (GL/WC)
3. Workers' Compensation Exemption Information (*if applicable*)
4. Reference
5. Exam Scores (*or License Verification for Reciprocity or BC-A/r Certificate*)
6. List of Experience (*may enter online*)
7. Corporate Registration (*Corporations and LLC's*)
8. Power of Attorney (*for QA's without ownership*), and
9. Any other attachments or disclosures you need to include

Online Application Resource is available at:

<https://www.tn.gov/content/dam/tn/commerce/documents/regboards/contractors/forms/BLC-OnlineApplicationResource.pdf>

CONTRACTOR'S LICENSE APPLICATION

(Pages 1 – 16)



Board for Licensing Contractors
 500 James Robertson Parkway
 Nashville, TN 37243 / Tel: 615-741-8307 Fax: 615-532-2868
<https://www.tn.gov/commerce/regboards/contractors.html>
 Email: Contractor.App@tn.gov

FOR OFFICE USE ONLY	
LICENSE:	1801 - Contractor
XACT #	_____
FILE #	_____
ENTITY #	_____
APP#	_____
PAID \$	_____

Contractor's License Application

Application Fee: \$250.00 (Nonrefundable) – Two Year License Issuance

Please check one:

Save Time, Apply Online!

www.core.tn.gov

- New License – First Time Applicant (Xact# 1010)
- OR**
- Reinstatement of Expired License -Expired 12 months or more (Xact# 6011)
License ID # _____ - Exp: _____
- Second or Additional License – Other license(s) to remain: Active Inactive Sold Company (Xact# 1010)
License ID # _____(of prior company)
- Merger or Reorganization (Xact #8006)
License ID # _____(of prior company)
- Change of Ownership / Dissolving Licensed Entity or Partnership (Xact# 8047)
License ID # _____(of prior company) Retain License ID#

SECTION 1 – BUSINESS NAME AND ADDRESS

Business Name: The contractor's license is issued in the legal business name which is based upon the exact name listed on the business owner(s) financial statement. All supporting documents (insurance, reference, corporate filings, etc.,) must be in this name. Contracting must be conducted in the same name as licensed.

Name Similarity: To determine if another contractor is using a similar name, please check at: <http://verify.tn.gov> and search by "contractor" to prevent from having to apply for a name change.

NAME TO APPEAR ON

LICENSE: _____

Mailing Address: _____ / _____

P.O. Box or (PMB) Private Mailbox, list Physical Address

 (City) (State) (Zip Code) County)

Phone No.: (_____) _____ - _____ Cell: (_____) _____ - _____ Fax: (_____) _____ - _____

Email Address: _____

ATTN: _____
 (Name of Person to Route Correspondence) (Title)

QUESTIONNAIRE/SYNOPSIS

1. **Mode of operation:** * Sole Proprietor Partnership **Corporation **Limited Liability (LLC)
(**Attach proof of registration with Tennessee Secretary of State)

2. **Owners:** List Name of Owner(s), Officer(s) or Major Stockholder (20% or more), with their Title (owner, partner, stockholder, Officer) and their SS#: parent/holding companies must submit their FEIN # : *(May submit an attachment for additional owners)*

Complete Name (Include Suffix (Jr., Sr., III))	Title	SS#	% of Ownership
--	-------	-----	----------------

3. **FEIN #** _____ **Federal Employee ID # - EIN** (if applicable) 4. * **Attach page 14** (Sole Proprietors)

5. **License Classifications Requested** (see "Classifications Outline" on the Website) Following is a partial list:

- Residential (BC-A) Commercial (BC-B) Small Com (BC-b{sm}) Industrial (BC-C) BC (Resid. Com. & Ind.) BC-A/r (Restricted)
 Electrical (CE) Plumbing (CMC-A) HVAC (CMC-C) CMC (Mechanical-Plumbing/HVAC) MU (Mun. Utility)
 HRA (Hwy/Rail/Air) HC (Heavy) S-Equip. Installation LMC (Masonry) S-_____ (Specialty)
 CMC-D (Fire Sprinkler; **must** register with [Fire Prevention](#)); CE-D (Alarm Systems; **must** obtain license with [Alarm Systems Board](#))
 Specialty/Subcategory or Other: _____

6. **Monetary Limit Requested** (size of contracts): \$ _____ (Ensure General Liability Insurance is sufficient!)
(Limit is based on financial statement and experience. Note: Small Commercial (BC-b(sm)) cannot exceed \$1,500,000. Unlimited is in excess of \$3,000,000)

7. **Prior Contractor License(s):** If the **Owners, Officers** or the **Qualifying Agent** has held or listed on a Tennessee Licensed entity; please answer the questions below: **No - Does Not Apply;** **Yes – Complete "Prior License Information"**

Prior License Information - Disclosures
License ID # _____; Expiration Date: _____; Complaint History: ___NO ___*YES (* Supply Attachment) Explain: ___ Reinstatement; ___ Sold Company; ___ No longer at company; ___ Additional/Second license; ___ Dissolved Partnership; ___ QA Applying for own license; ___ Purchased Entity –New Owner Other: _____ <small>(*Attach explanation regarding any complaint history; license revocation; judgments; or criminal convictions)</small>

8. **Other State Licenses:** Have you or your qualifying agent or officers held a contractor's license in any other state?
 ___NO ___ YES - If so, please list "State" and current status, such as: **(A)** Active; **(E)** Expired; **(S)** Suspended/Revoked.
 _____(); _____(); _____();

9. **Other Tennessee Licenses:** Have you or the qualifying agent or officers held any other trade Tennessee licenses, such as, Real Estate; Architect/Engineer; Alarm; Fire Sprinkler; Home Improvement; LLE; LLP; Well Driller, environmental, etc.
 ___NO ___YES - Please list type of license and status. If revoked or suspended, please submit an attachment: See attached.

10. **List Qualifying Agents (QA):** Individual passing the exam or designated employee for specialty:

Complete Name (Must include "Suffix" - Jr., Sr, III)	SS#	Exam Type	Ownership%	Exam Date
--	-----	-----------	------------	-----------

- Specialty Contractors: Attach current certificates for Asbestos, Lead, UST, Fire Sprinkler, Alarm, Well Drilling, Medical Gas, etc.*
 Power of Attorney required if QA does not have majority ownership.

***Note: Failure to disclose prior license complaint history is grounds to have the license denied! (see questions 7-9)**



STATEMENT OF EXPERIENCE AND MANAGEMENT INFORMATION

Name to be on License: _____

1. License applicant's list of experience: (May attach a list in lieu of completing the below) - See Attached

Table with 5 columns: Year, Type of Work, Contract/\$Amount, Location of Work, Client. Multiple empty rows for data entry.

2. Please list owners/officers experience (if different from above): - See Attached

(May submit attachment or resumes)

Table with 4 columns: Employee/Owner Name & Title, Years of Experience, Employer's Construction Company Name, (Res./Com./Ind.) Project Type. Multiple empty rows for data entry.

3. Personnel: One or more employees? ___ Yes ___ No / Officers: ___ Yes ___ No

4. Workers' Compensation Insurance: Please attach one of the following:

- Proof of Insurance, Registration(s) as "Construction Services Provider", Questionnaire (pg 12). Includes sub-points about information sources and coverage requirements.

5. Do you know the definition of employee vs independent contractor? ___ Yes ___ *No

*If "No", please see https://www.tn.gov/content/tn/workforce/injuries-at-work/injured-workers/injured-workers/employee-misclassification.html

6. General Liability Insurance: Attached coverage is: \$100,000 \$500,000 \$1,000,000 or more

If not attached, license cannot be issued. See instructions on our website

7. Bank(s): Name, location and contact person of where you do business:

Blank lines for providing bank information.

8. Attach list of major equipment (owned; leased or rented information). (This may be a depreciation schedule)

- See Attached List, - No Equipment Owned (leased or rented when needed)

9. Contractor Preparatory Course: ___ No ___ Yes - Name of Course Provider: _____



CONTRACTOR'S AFFIDAVIT

Mode of Operation: *Sole Proprietor Partnership Limited Partnership General Partnership Corporation LLC

1. _____
(Contractor Applicant - Name as to be licensed and same as on financial statement)

2. To the best of my knowledge, information, and belief, a petition in bankruptcy { } *HAS { } HAS NOT been filed within seven (7) years preceding the filing of this application from any person who is an officer, owner, partner of this entity. (*If such petition has been filed, attach information and an explanation of the proceedings hereto as part of affidavit and copy of discharge.)

3. As Contractor Applicant, the owner(s), officer(s), qualifying agent(s) or major stockholder(s), with this entity,
A. { }*HAVE { } HAVE NOT been convicted of a felony;
B. { }*HAVE { } HAVE NOT been involved with claims for gross negligence, incompetency, fraud, dishonest dealing, misconduct (violation of TCA § 62-6-118); or judgments; and/or complaints (open or closed) derived from the practice of contracting; or had a license revoked. (If you checked "HAVE", please attach an explanation (see instructions)

Note: TCA 62-6-118(h), the Board may deny a license for improper conduct or submission of false statements.

4. As Contractor Applicant, I/we { }*HAVE { } HAVE NOT bid, offered to engage or performed any construction in the State of Tennessee, where the amount of the contract was \$25,000 or more, or in the case of those domiciled in non-reciprocal states, \$2,500, as would require a contractor's license to engage in contracting. *If you "Have", this violation is penalized by T.C.A. § 62-6-120. License may be held for six (6) months.

I/we affirm and attest in applying to the Tennessee Board for Licensing Contractors for a new license to engage in contracting with the State of Tennessee, hereby depose and say as follows:

The foregoing statement and all other information provided in this application are true and correct. In addition, these statements are submitted to the Board for Licensing Contractors for the express purpose to license as a contractor in the State of Tennessee. Further, any depository, vendor or other agency herein named is hereby authorized to supply this Board with any information necessary to verify these statements. Contractor agrees to maintain insurance as required.

If you checked "HAVE" or "HAS" above, please attach explanation

All Must Execute Affidavit: Owner(s); qualifying agent(s); partners; major officers; and controlling stockholders or their Chief Executive Officer duly authorized by the Board of Directors with this entity.

_____ (Print Name)	_____ Qualifying Agent	_____ (Signature)
_____ (Print Name)	_____ (Title)	_____ (Signature)
_____ (Print Name)	_____ (Title)	_____ (Signature)
_____ (Print Name)	_____ (Title)	_____ (Signature)

Subscribed and witnessed before me this _____ day of _____, 20 _____.

(NOTARY)

My Commission Expires: _____

-SEAL-

*Note: Sole Proprietors must complete page 14!

LETTER OF REFERENCE



From:

_____ *Past Client*
_____ *Past Employer*
_____ *Codes Official*

Reference Relating to: _____
(Please print name of individual and/or company applying for a license)

Address: _____

The above named individual and/or company is applying for a contractor's license in the State of Tennessee. Please give any information you can relating to their construction experience. You can greatly assist both applicant and Board by furnishing this information in detail. *(PLEASE PRINT OR TYPE)* Return the completed reference to the contractor license applicant for them to supply with their completed application.

1. How long have you known the owner(s)/principals? _____
2. What has been your general experience with the above?
3. What is your business opinion of the above?
4. Do you recommend a state license be granted to the above? Explain.
5. Please mention other comments you would like to include regarding the applicant.

This form is being completed by:

_____/_____
(Print Name) *(Name of Company/Employer/Codes Official/ Client/Homeowner)*

Mailing Address: _____

Telephone: _____ Email _____

(Signature) (Date)

NOTE: All reference letters must be from a past client, employer or codes official commenting on experience, as required pursuant T.C.A. § 62-6-111(4)(b)(2). Out of state letters are acceptable; family member references are not acceptable.

WORKSHEET FOR DETERMINING MONETARY LIMIT
(Attach to Reviewed for Audited Financial Statement)

FINANCIAL STATEMENT OF: _____ DATE _____

AUDITED REVIEWED CPA LICENSED PA
 INDIVIDUAL PARTNERSHIP LLC CORPORATION

CURRENT ASSETS _____ TOTAL ASSETS _____
 CURRENT LIABILITIES _____ TOTAL LIABILITIES _____
 WORKING CAPITAL _____ NET WORTH _____

*SUPPLEMENTAL FINANCIAL STATEMENT(S): Guaranty Agreement: Yes No - *cannot be included*

1. Company/Personal Financial Statement of _____ Date _____

Current Assets _____	Total Assets _____
Current Liabilities _____	Total Liabilities _____
Working Capital _____	Net Worth _____
50% of W/C _____	50% of NW _____

2. Company/Personal Financial Statement of _____ Date _____

Current Assets _____	Total Assets _____
Current Liabilities _____	Total Liabilities _____
Working Capital _____	Net Worth _____
50% of W/C _____	50% of NW _____

3. Line of Credit in the amount of \$ _____ Bank: _____

TOTALS:
COMBINED WORKING CAPITAL \$ _____ COMBINED NET WORTH \$ _____

***MONETARY LIMIT REQUESTED: \$ _____** (General Liability Insurance must be sufficient)

*Should the contractor's financial statement and experience fail to qualify for the monetary limit requested, the Board may grant the license at a lower amount.

MONETARY LIMITS ARE BASED ON TEN (10) TIMES THE LESSER OF YOUR COMBINED WORKING CAPITAL, NET WORTH and EXPERIENCE!

- SUPPLEMENTAL FINANCIAL STATEMENTS MAY BE USED TO INCREASE NET WORTH AND WORKING CAPITAL at 50%
- LINE OF CREDIT MAY BE CONSIDERED TO SUPPLEMENT WORKING CAPITAL, ONLY. (If negative, at 50%)
- GUARANTY AGREEMENT MUST BE SIGNED, NOTARIZED AND ATTACHED WITH SUPPLEMENTAL FINANCIAL STATEMENT
- SEE THE WEBSITE FOR BOND IN LIEU OF GUARANTY AGREEMENT: <http://www.tn.gov/commerce/boards/contractors/documents/BLC-BondInstructionsRev.pdf>

4. Years of Total Experience : Less than 3 years 5 to 10 years Over 10 years
 5. Average Amount of Projects: \$ _____; Largest Project on Experience: \$ _____

(See Rule 0680-1-13)

ATTACH FINANCIAL STATEMENT **MUST BE PREPARED BY A LICENSED CPA/PA** **WITH A “REVIEWED” OR “AUDITED” OPINION**

Financial Statement Guidelines

Financial statements submitted by contractors shall be treated as confidential and shall be used by the Board only for the purpose of determining the financial stability of an applicant for a license and the monetary limitations. T.C.A. 62-6-124.

CURRENT ASSETS are cash and those assets that are reasonably expected to be realized in cash or sold or consumed within one year or within a business’s normal operating cycle if it is longer. Generally, current assets include the following:

- Cash and cash equivalents available for current operations
- Marketable securities representing the investment of cash available for current operations, including investments in debt and equity securities classified as trading securities.
- Underbillings on work in progress
- Inventories (to include materials and/or houses built for sale). Also, developed lots for sale. Raw, undeveloped land is not a current asset.
- Retirement Plans, specifically an IRA, 401K and Profit Sharing, will be allowed at 50%
- Cash surrender value of life insurance policies (*provide documentation on personal statements to utilize*)
- Trade accounts receivable notes and other receivables that are expected to be collected within one year.
 - *Note: If majority of receivables count as working capital, the Board will need an update of accounts collected over the past 12 months, or these will not be counted.*
- Prepaid expenses such as insurance, interest, rents, taxes, etc.

The following are not current assets, however, since they generally are not expected to be converted into cash within one year:

- Cash restricted for special purposes (Restricted cash may be classified as a current asset if it is considered to offset maturing debt that has been properly classified as a current liability, however.)
- Long term investments
- Receivables not expected to be collected within one year
- Land and other natural resources
- Depreciable assets (buildings, equipment, tools, etc.)
- Prepayments or deferred charges that will not be charged to operations within one year
- Notes receivables from stockholders or employees (*do not count as a current asset*)

CURRENT LIABILITIES are obligations whose liquidation is reasonably expected to require (a) the use of current assets or (b) the creation of the other current liabilities. Generally, current liabilities include the following:

- Payables for materials and supplies
- Amounts collected before goods or services are delivered (overbillings on jobs in progress)
- Accruals for wages, salaries, commissions, rents, royalties, and taxes
- *Other obligations, including portions of long-term obligations, expected to be liquidated within one year

*Current liabilities do not include long term notes, bonds, and obligations that will not be paid out of current assets.

All financial statements submitted should separate current portion of long term debt according to standard accounting principals

◆*NOTE: More detailed information is in available from the instructions. Financial Statement guidelines adopted as policy by the Board May 19, 2003 and revised September 24, 2013.*

INDEMNITIES

Guaranty Agreement and Bond Information

GUARANTY AGREEMENT POLICY

The purpose of a Guaranty Agreement is now, and has always been, to supplement the net worth and working capital of a Contractor to enable that Contractor to obtain a higher monetary limitation than they would otherwise qualify. All previously submitted Guaranty Agreements shall expire (or shall be deemed to have expired) at the end of the license term for which the particular Guaranty Agreement was relied upon to supplement the Contractor's net worth and working capital. When a license is renewed, the contractor may utilize a new Guaranty Agreement, if appropriate, to raise the monetary limitation for which they would otherwise qualify.

Pursuant to Rule 0680-01-.13, there are conditions allowing a contractor to utilize an indemnity, which may be from either a Guaranty Agreement or Contractor's License Bond. If this is needed, the Board office will contact you and provide the form.

Guaranty Agreement

The Board may allow a contractor the option to utilize a "Guaranty Agreement" indemnity, with a supplemental personal or parent company financial statement. The supplemental statement may be a self-prepared personal statement, compiled, or by a CPA or a parent company statement. The guaranty does not waive the requirement for a CPA prepared Reviewed or Audited financial statement. In addition to the "Guaranty Agreement" form, the Board wants to ensure the contractor is aware of the financial obligations and also requires them to sign the "Notice of Liability" included. The guaranty forms and most recent policy relative to indemnities are available from our website at:

<http://www.tn.gov/regboards/contractors/documents/BLC-GuarantyAgreementPolicy.pdf>

- The guarantee will expire at the time of renewal and is limited based upon the amount needed to supplement
 - If a "Guaranty Agreement" is needed when renewing, a new form must be provided.
- Signatures on the Guaranty Agreement
 - Person(s) listed on the personal financial statement would be required to sign as personal guarantor; or
 - The authorized owner/officer of the corporate or parent company statement would be required to sign as a corporate guarantor.
- The Guaranty Agreement is considered part of the financial statement and confidential; not a matter of public record. Inquiries and release of information would require a subpoena with a protective order.

Contractor's License Bond

If there are extenuating circumstances such as legal conflicts preventing the parent company from supplying a "Guaranty Agreement" as the indemnity agreement, the contractor may request to supply the Board with an original "Contractor's License Bond". It must have the original signatures and in the exact format as the Board's form; no deviation from the language is acceptable. Depending on the financial statement and monetary limit requested, the Board will consider either a \$500,000 (for limits less than \$1,500,000) or \$1,000,000 (for a limit more than \$1,500,000) bond amount. Please note, the "Contractor's License Bond" may be used only in lieu of the "Guaranty Agreement" and does not waive any other license requirements. The "Reviewed" or "Audited" financial statement is still required. The form is available from the website at: <https://www.tn.gov/content/dam/tn/commerce/documents/regboards/contractors/forms/ContBLC-GuarantyAgreementPolicy.pdf>

- The bond must have a "Power of Attorney" attached from the bonding/insurance provider.
- The provider must have an approved rating from "A.M Best Company, Inc."
- The bond cannot be released from liability for one (1) year after the license expiration or replacement of another indemnity (if required based on financial statement).

LINE OF CREDIT

TO BE WRITTEN ON BANK, SAVINGS & LOAN LETTERHEAD
(May be used if WORKING CAPITAL does not support monetary limit requested)

DATE

TO: CONTRACTOR LICENSEE NAME (Individual, Corporation, Partnership or LLC)
Address
City, State and Zip

Dear Contractor:

You have requested of (Name of Bank, Savings and Loan FDIC Institution) to establish a line of credit which will be available to (Contractor's Name as to be on License) for use in conducting the contracting business for which a license is being sought from the State of Tennessee Board for Licensing Contractors.

We hereby establish a line of credit for these purposes in the amount of \$_____ which will be maintained for a period of one year from the date of license issuance, subject to no adverse change in your financial condition.

As a condition of this arrangement, it is our understanding you will inform us and the Board for Licensing Contractors of any significant change(s) in your financial condition during the term of this commitment.

We the undersigned will endeavor to notify the Board for Licensing Contractors should we become aware of any significant change(s) in financial conditions of the above named applicant.

The undersigned hereby agrees to notify the Board for Licensing Contractors should we withdraw and/or eliminate the above named applicant's credit line.

By _____
Name Title

SAMPLE LETTER -- FOR BANK USE ONLY

Contractor Instructions

- To increase the working capital, a contractor may take this **SAMPLE** form to their bank; does not increase the net worth
- If a contractor's working capital is negative, only 50% of the Line of Credit (LOC) value is applied
- The LOC is for the contractor's use and may be utilized at any time by the contractor
- This format's exact wording must be used in order for the Board to consider accepting; any deviation will delay process
- Original LOC document must be submitted; copies are not acceptable
- Name on LOC must be in the **EXACT NAME** as on the license and financial statement
- Lending institution must be a bank, savings and loan which is FDIC approved
- Website is at: <https://www.tn.gov/commerce/regboards/contractors.html>



STATE OF TENNESSEE
 DEPARTMENT OF COMMERCE AND INSURANCE
BOARD FOR LICENSING CONTRACTORS
 500 JAMES ROBERTSON PARKWAY
 NASHVILLE, TENNESSEE 37243-1150
 (615) 532-3983 or (800) 544-7693 FAX or (615) 532-2868
 Email: Contractor.App@tn.gov

A Power of Attorney for the Qualifying Agent is required if someone other than a majority owner takes the exam.

POWER OF ATTORNEY

Know all that I, _____, of _____,
 (Owner's/Officer's Name) (County)

_____, of _____ do hereby appoint:
 (State) (License Company Name)

 (Qualifying Agent's Name)

 (Title)

 (Date of Employment)

Above named is at least 18 years of age; is a full time employee; and authorized to act as qualifying agent (QA) on the license entity's behalf by taking the examinations(s) and/or interview, as required for a Tennessee contractor's license. Pursuant T.C.A. §62-6-115, as an employee/officer, they have sufficient knowledge to bind the licensee.

This designated qualifying agent, ***IS -or- *WAS -or- IS NOT** listed as the QA for another license (list the license ID or license name if you have ever been listed on another license in Tennessee). I understand should the qualifying agent leave the company, pursuant T.C.A. §62-6-115, the Board must be notified within 10 days; and another individual must be designated to pass the applicable trade examination(s) within three (3) months or the license classification is considered invalid (if there is only one classification, the license becomes invalid).

 Owner/Officer - Signature

 Qualifying Agent's Signature

Affirmed, witnessed and subscribed before me this _____ day of _____, 20_____.

 Notary Public My Commission Expires: _____

- (Notary Seal) -

*List License ID# _____ or company name. If "currently" listed, you must be a majority owner of one of the licenses to be listed as the QA. Attach explanation, as directed on page 2 and the Contractor's Affidavit, relative to complaints, felony convictions, judgments, etc., from current and "prior" licenses.

Note: If anyone other than an individual with an ownership interest acts a qualifying agent, then an owner or officer must also appear along with the qualifying agent in cases where an interview with the Board is required. Typically, the interview is waived and notice will be sent to license applicant.

For applicants who have passed the trade exam with a reciprocal state and requesting a waiver.

State of Tennessee

Board for Licensing Contractors

500 James Robertson Pkwy., Nashville, TN 37243-1150
1-800-544-7693 Fax (615) 532-2868



Website: <https://www.tn.gov/commerce/regboards/contractors.html> Email: Contractor.App@tn.gov

REQUEST FOR LICENSE VERIFICATION

Instructions to Applicant: Complete the "Applicant Information" section below and forward to the reciprocal State verifying the licensing information for a trade exam waiver. Return it to us by including it with your license application.

CONTRACTOR LICENSE APPLICANT INFORMATION

License Name: _____

Address: _____ City: _____ State: _____ Zip Code: _____

Telephone: () - _____ Fax#: () - _____

Contract Person: _____ E-Mail Address: _____

Signature: _____ Date: _____

If you are licensed with one of the following state agencies, Tennessee has entered into a trade exam waiver agreement and you may qualify to have the trade exam waived: **Alabama** – (General, Electrical, Residential, and HVAC); **Arkansas**; **Georgia** (Commercial/Electrical); **Louisiana**; **Mississippi**, **North Carolina**; **Ohio** (Electrical; Plumbing; and HVAC); and **South Carolina**. The Board also accepts the **NASCLA National Commercial** trade exam score. Reciprocity is with the **TRADE** exam, only. Some states may charge a fee to complete verification.

Instructions for Verifying State: The above named applicant has submitted an application for a contractor's license with this Board. Please complete the following and return this form to the applicant.

License Name: _____

License ID#: _____ Date Issued: _____ Status: ___Active ___*Inactive ___*Expired

Expiration Date: _____ Disciplinary Action: ___No ___*Yes *Does not qualify for exam waiver

License Classification(s): _____

Qualifying Agent's Name	Trade Exam <i>Residential, Commercial, Electrical, etc.)</i>	Exam Type <i>(PSI, NAI, Experior, Block, NASCLA, In- House, etc.)</i>	Exam Date	Score	Waiver <i>(Endorsement; Prior to Exam;; Not Required, etc.</i>

Signature: _____ Title: _____ Date: _____

State Agency: _____

- State Seal -

T.C.A. § 12-4-801 - **Bid Preference Law** - A like reciprocal preference is allowed to the lowest responsible bidder to a contractor resident of another state.

Workers' Compensation Insurance - Coverage Determination Questionnaire

(Required by Contractors NOT submitting Proof of Insurance)

The following questionnaire has been developed to assist our staff to determine whether proof of workers' compensation (WC) insurance coverage or exemption requirements have been fulfilled for the purpose of obtaining a contractor's license. You must check with the Department of Labor and Workforce Development to confirm you are in compliance at: <https://www.tn.gov/workforce/employers.html> This is based upon changes in the law on March 1, 2011, Public Chapter 1149; and includes amendments for Public Chapter 422, effective October 1, 2011. **Please check with your insurance carrier to prevent being charged penalties for lack of coverage** to ensure you are properly covered or exempted. In addition, ensure your employees are not misclassified as independent contractors.

The law requires contractors to supply proof of coverage or exemption on themselves as owners/employers, in addition to their employees, unless exempt. A provision allows up to five (5) individuals as an **owner, officer, partner or member** to be exempt from coverage by registering each person on your license with the Tennessee Secretary of State as a "**Construction Services Provider**". Therefore, license applicants without employees have the option to provide proof of insurance or proof registered for an exemption; unless considered exempt from both (*sole proprietors, partners or LLC without employees or subs, working directly for a residential owner, etc.*). As always, check with your insurance agent to make sure you are properly protected or exempt on a project. To register online for exemption as a "**Construction Services Provider**" go to: <https://tnbear.tn.gov/wc/> or you may call at (615) 741-2286. The definition of employee vs independent contractor depends on Common Law and ABC test; see website at: <https://www.tn.gov/content/tn/workforce/injuries-at-work/injured-workers/injured-workers/employee-misclassification.html>

Contractor's License WC Questionnaire

1. If you check **ONE** item, you are **NOT EXEMPT** and must submit **proof of insurance** (questionnaire not required)

- One or More Employees (An owner/officer may still need to register for an exemption to exclude themselves)
- Having more than as allowed for an exemption (five (5) owners or officers; or a partner retaining less than 20% ownership)
- Does not meet the requirements in questions 2 – 3 below, and must provide proof of coverage.

2. If you check **ALL** of the following, considered **EXEMPT** from submitting **proof of insurance**, and will need to supply **proof of registration** as a "**Construction Services Provider**" - <http://tnbear.tn.gov/wc/> (Licenses expired cannot register as a licensee with the Board and would not qualify for a discount with Secretary of State exemption registry)

- No Employees on payroll (corporate officers are considered employees, but qualify to register for exemption)
- Less than five (5) owners and/or officers; or if a partnership, each partner owns a minimum of 20% of business entity.
- All owners/officers/members/partners are registered as a "Construction Services Provider"
- Does not meet the criteria in section "3" below; must attach registration for each individual on license (limited to five)

(Note: Partnerships, who have not registered with the Secretary of State's "Corporate" section, must do so to obtain a "Control #")

3. If you check **ALL** of the following, you are **EXEMPT** from supplying both the **proof of Insurance** and **registration** to our Board as a "**Construction Services Provider**" only as a condition of licensure with the Board:

- No Employees on payroll and no Subcontractors hired to perform work
- Sole Proprietor; Partnership or LLC with less than (5) members (Note: Corporations do not qualify to be exempt from both)
- Works directly for the owner (*handyman exemption*)

4. Other: Considered **EXEMPT** from both the insurance and registration as a "Construction Services Provider" due to the following explanation (*may require authorization from the Department of Labor and Workforce Development*):

- Other: Exempt due to: _____
(Provide explanation allowed by law for us to verify with the Department of Labor)

(Note: Renewal may be held until we receive authorization)

5. Signature of Authorized individual completing questionnaire for licensing.

Completed by: _____ Title: _____

IMPORTANT NOTICE: THIS QUESTIONNAIRE PERTAINS TO COVERAGE REQUIRED FOR THE PURPOSE OF LICENSING, ONLY! PLEASE CHECK WITH YOUR INSURANCE CARRIER OR THE DEPARTMENT OF LABOR TO ENSURE YOU ARE PROPERLY EXEMPTED, COVERED, OR WHEN OBTAINING MINIMUM COVERAGE, TO PREVENT PAYING PENALTIES AT THE TIME OF AN AUDIT OF YOUR PAYROLL!



**STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
REGULATORY BOARDS DIVISION
500 JAMES ROBERTSON PARKWAY
DAVY CROCKETT TOWER
NASHVILLE, TENNESSEE 37243**

Eligibility Verification for Entitlements Act Attestation Instructions

INSTRUCTIONS: If you are a natural person applying for a license, registration, certification or other benefit you must:

1. Attest, under penalty of perjury, to your status as either a United States citizen, a qualified alien as defined in Tennessee's Eligibility Verification for Entitlements Act, or a foreign national not physically present in the United States, by selecting your status in Part A below signing on the line labeled "Applicant's Signature," printing your name on the line labeled "Printed Name" and putting the current date on the line labeled "Date."

AND

Do one (1) of the following:

1. **US Citizenship** - If you are claiming United States citizenship, present **one (1)** of the forms of acceptable identification provided in the list **Part B** (see page 15).
 - If you provided your **Social Security Number** as part of your application for licensure, no additional documentation is required; however, please be aware that efforts may be made to verify any such number.
2. **Qualified Alien Status** - If you are claiming qualified alien status, present **two (2)** forms of documentation of identity and immigration status, as determined acceptable by the United States Department of Homeland Security, for verification through the SAVE (Systematic Alien verification for Entitlements) program, as provided in the list **Part C** (see page 15)
 - If you are claiming qualified alien status but you are unable to present two (2) forms of documentation provided for in Part C of this form, then you shall present at least **one (1)** such document that shall then be **verified through the SAVE** program.

OR

3. **Foreign National Not Physically Present in US** - If you are claiming you are a foreign national not physically present in the United States, please contact the program issuing the license for which you are applying, to provide such documentation as may be required to verify such status.

Eligibility Verification for Entitlements Act Attestation

Part A. Eligibility Verification for Entitlements Act Attestation

I hereby attest under penalty of perjury that I am (select one):

- _____ A United States citizen;
- _____ A qualified alien as defined in Tenn. Code Ann. § 4-58-102;1
- _____ A foreign national not physically present in the United States. Further, I understand that should I ever become physically present in the United States while I hold this license, registration, certification or other benefit I agree to immediately contact the issuing agency and provide documentation to confirm my status as a qualified alien.

Applicant's Signature

Printed Name

Date

Submitting false information or omitting pertinent or material information in connection with this application or any violation of the Eligibility Verification for Entitlements Act may result in the revocation of any license, registration, certification or other benefit issued to the applicant. A person who willfully makes a false, fictitious or fraudulent statement or representation of United States citizenship may be prosecuted under 18 U.S.C. § 911 and/or the False Claims Act, T.C.A. §§ 4-18-101, *et seq.*

¹ Qualified alien means "A qualified alien as defined by 8 U.S.C. § 1641(b)" or "An alien or nonimmigrant eligible to receive state or local public benefits under 8 U.S.C. § 1621(a)." Pursuant to those statutes, this includes, but is not necessarily limited to:

- An alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act [8 U.S.C. § 1101 et seq.];
- An alien who is granted asylum under section 208 of the Immigration and Nationality Act [8 U.S.C. § 1158];
- A refugee who is admitted to the United States under section 207 of the Immigration and Nationality Act [8 U.S.C.A. § 1157];
- An alien who is paroled into the United States under section 212(d)(5) of the Immigration and Nationality Act [8 U.S.C. § 1182(d)(5)] for a period of at least 1 year;
- An alien whose deportation is being withheld under section 243(h) of the Immigration and Nationality Act [8 U.S.C. § 1253] (as in effect immediately before the effective date of section 307 of division C of Public Law 104-208) or section 241(b)(3) of the Immigration and Nationality Act [8 U.S.C. § 1231(b)(3)] (as amended by section 305(a) of division C of Public Law 104-208);
- An alien who is granted conditional entry pursuant to section 203(a)(7) of the Immigration and Nationality Act [8 U.S.C. § 1153(a)(7)] as in effect prior to April 1, 1980;
- An alien who is a Cuban and Haitian entrant (as defined in section 501(e) of the Refugee Education Assistance Act of 1980);
- A nonimmigrant under the Immigration and Nationality Act [8 U.S.C. §§ 1101, *et seq.*];
- An alien who is paroled into the United States under section 212(d)(5) of the Immigration and Nationality Act [8 U.S.C. § 1182 (d)(5)] for less than one year.

Eligibility Verification for Entitlements Act Additional Required Documentation

Part B. If you are claiming United States citizenship, you must present one (1) of the following:

- A valid Tennessee driver license or photo identification license issued by the Department of Safety;
- A valid driver license or photo identification license from another state where the issuance requirements are at least as strict as those in Tennessee, as determined by the Department of Safety;
- An official birth certificate issued by a state, jurisdiction or territory of the United States, including Puerto Rico, United States Virgin Islands, Northern Mariana Islands, American Samoa, Swains Island, or Guam; provided that Puerto Rican birth certificates issued before July 1, 2010, shall **not** be recognized;
- A United States government-issued certified birth certificate;
- A valid, unexpired United States passport;
- A United States certificate of birth abroad (DS-1350 or FS-545);
- A report of birth abroad of a citizen of the United States (FS-240);
- A certificate of citizenship (N560 or N561);
- A certificate of naturalization (N550, N570 or N578);
- A United States citizen identification card (I-197, I-179);
- Any successor document of those listed at Tenn. Code Ann. §§ 4-58-103(c)(4)-(9); or
- **A social security number that may be verified with the Social Security Administration in accordance with federal law (if you provided your social security number as part of your application for licensure, no additional documentation is required; however, please be aware that efforts may be made to verify any such number).**

Part C. If you are claiming qualified alien status, you must present two (2) forms of documentation of identity and immigration status, as determined by the United States Department of Homeland Security to be acceptable for verification through the SAVE program. Such forms of identification may include:

- I-327 (Reentry Permit);
- I-551 (Permanent Resident Card);
- I-571 (Refugee Travel Document);
- I-766 (Employment Authorization Card);
- Certificate of Citizenship;
- Naturalization Certificate;
- Machine Readable Immigrant Visa (with Temporary I-551 Language);
- Temporary I-551 Stamp (on passport or I-94);
- Unexpired Foreign Passport;
- WT/WB Admission Stamp in Unexpired Foreign Passport
- I-20 (Certificate of Eligibility for Nonimmigrant (F-1) Student Status);
- DS-2019 (Certificate of Eligibility for Exchange Visitor (J-1) Status);
- Any other document determined by the U.S. Department of Homeland Security to be acceptable through the Systematic Alien Verification for Entitlements (SAVE) program created pursuant to the federal Immigration Reform and Control Act of 1986.

Part D. If you are claiming qualified alien status, but you are unable to present two (2) forms of documentation as described in Part C, then you shall present at least one (1) such document as described in Part C, which shall then be verified through the SAVE program.

Part E. If you are claiming that you are a foreign national not physically present in the United States, please contact the program issuing the license, registration, certification or other benefit for which you are applying to provide such documentation as may be required to verify such status.

CHECKLIST

(See detailed steps in the instruction booklet pages i-1 – i-23)

Exam Score(s) – Attach copies and/or other required documentation:

- Business & Law Trade Explanation (*Registered; Reinstatement, Second License, etc.*)
- Restricted Residential (BC-A/r) Certificate;
- Environmental Specialties - Attach copies of the qualifying agent's training certificates;
- Fire Sprinkler / Alarm Systems / TDEC - Attach copy of other required licenses from the State;
- Reciprocation - Attach license verification completed by the state agency where licensed (page 11)

Contractor's License Application (See pages 1 – 5; and page 14)

- Questionnaire/Synopsis (page 2); Note: Supply explanation(s) where required.
- Experience/Management Information; and attach list of equipment (see page 3);
- Contractor's Affidavit (page 4); Note: Supply explanation if checked "HAS" or "HAVE"
- Reference (page 5)
- Citizenship Status for Sole Proprietors – Eligibility Verification Form (page 14)

Financial Statement Prepared by CPA - Attached (See page 6)

- Review required by CPA for a limit of \$3,000,000 or less
- Audit required by CPA for limit more than \$3,000,001 – Unlimited
- Parent Company's Audit (support and indemnify subsidiary; include in-house statement for subsidiary)

Supplemental Financial Statement – Attached with Guaranty Agreement or Bond (if needed)

- Compiled; Self-Prepared; or CPA Prepared – Supplemental to support monetary limit

Guaranty Agreement / Bond - Information (See page 8) (if needed)

- Submitting primarily cash only financial statement; or large amount of current receivables
- Submitting supplemental financials to increase net worth/working capital at 50%
- Entity is owned by another (parent/subsidiary);
- A "Contractor's License Bond" may be substituted for a Guaranty Agreement (see information from website) <https://www.tn.gov/content/dam/tn/commerce/documents/regboards/contractors/forms/ContBLC-GuarantyAgreementPolicy.pdf>

Line of Credit (page 9) – Must be in exact format and may be used for the following (if needed)

- May be supplied to Supplement Working Capital

Certificate of Insurance - Attached (declarations are not acceptable)

- General Liability (Must list the Board as Certificate Holder)
- Workers' Compensation Proof of Coverage; if not, must submit the following:
 - Worker's Compensation Exemption Questionnaire (attach page 12)
 - Construction Services Provider – Proof of Registration from: <http://tnbear.tn.gov/wc/>

Power of Attorney (page 10) (if needed)

- Required if the Qualifying Agent (QA) does not have majority ownership and is only an officer or full time employee. Note: If an interview with the Board is required, the owner is required to appear with the QA - Rule 0680-1-02(f)]

Corporations, LLC, and Limited or General Partnerships (if applicable)

- Must attach proof of active registration with the Tennessee Secretary of State's Office

Attach an Explanation (if applicable)

- If this is not a new license: i.e. Reinstatement, Second Company, or Merger/Reorganization, detailing whether the present license is to be continued or is to be made invalid; or if a new license number is to be assigned, etc. Note: To add a classification or increase limit, apply for revision in lieu of applying for a new license.
- If there are felony convictions; complaint history; judgments; past disciplinary action, etc.

Make a Copy of Application Prior to Sending to the Board - \$250 Fee

- Allow 5 to 7 business days for mail delivery. We recommend over-night delivery for tracking purposes.
- You may check the "License Search" from the website at: <http://verify.tn.gov/> to confirm receipt
- Enclose a check or money order (*no cash*) in the amount of **\$250.00** (*nonrefundable*) payable to the "State of Tennessee" and send to the Board's mailing address at:

Tennessee Board for Licensing Contractors
500 James Robertson Pkwy.
Nashville, TN 37243-1150
Telephone: (615) 741-8307 or Email: Contractor.App@tn.gov

Save Time, Apply Online! - <http://core.tn.gov/> - may pay by credit or debit card or e-check