

RESIDENTIAL LICENSING LAW CHANGES



HB 1163 signed into law by Governor Tate Reeves resulted in modifications to the residential licensing laws. The new legislation requires all cities and counties to issue permits for construction work. The bill also amends current law to require a state issued license for construction managers and residential solar contractors as well as subcontractors performing HVAC, Electrical, Plumbing and/or Mechanical work on any residential construction or residential improvement project. It limits the “homeowner building their own dwelling” exception to one (1) per calendar year instead of two (2). The current exemption allowing relatives to perform work for relatives of direct consanguinity will only be permitted if the property is not for sale, rent, public use or public assembly. The bill clarifies unlicensed contractors are allowed to receive payment only for actual expenses incurred, but no profit. Actual expenses must be proven by clear and convincing evidence. **The new law goes into effect July 1, 2022.**

A state issued license is required for improvements to an existing residence over \$10,000 and new residential construction over \$50,000. The following is a summary of residential classifications that require a state issued license:

Classification	Licensure Requirement Per Dollar Amount
Residential Builder	New residential construction projects exceeding \$50,000
Residential Remodeler	Residential improvement projects exceeding \$10,000
Residential Roofer	Residential roofing projects exceeding \$10,000
Residential Construction Manager	New residential construction over \$50,000 Residential improvement projects exceeding \$10,000
Residential Solar	Solar projects over \$10,000

Subcontractors performing work or within the following trade on a residential improvement project or a residential construction project.	
Plumbing	HVAC
Electrical	Mechanical

Construction Manager classification cannot do commercial work. The Residential Builder classification is required.

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MSBOC processes applications on a weekly basis. Applicants can obtain an application at www.msbocon.us. Applicants are encouraged to review the instructional video **HOW TO APPLY FOR A CONTRACTOR'S LICENSE** that explains the application process and helps the applicant gather required documents necessary for processing applications and avoid common mistakes that could delay processing times.

*Subcontractors performing HVAC, Electrical, Plumbing and/or Mechanical work on any residential improvement project or a residential construction project that are required by HB 1163 to obtain a license issued by the Mississippi State Board of Contractors may take advantage of a "grandfather" period until December 31, 2022 that waives the required exam(s) if the conditions stated below are met. **The grandfather period applies only to the residential subcontractor trades HVAC, Electrical, Plumbing and/or Mechanical.**

TRADE EXAM CAN BE WAIVED DURING THE GRANDFATHER PERIOD IF:	
An applicant for licensure is currently licensed by a city and/or county and can demonstrate they have passed an exam such as ICC or a city or county administered exam; or	An applicant for licensure is not currently licensed by a city and/or county, but can demonstrate they have been in the business for five (5) years by submitting a notarized affidavit and three (3) reference letters: <ol style="list-style-type: none"> 1. one (1) reference letter from a building official or a MSBOC licensed contractor; 2. one (1) reference letter from a bank or financial institution; and 3. one (1) general reference letter from a project owner, architect, supplier, etc.
BUSINESS AND LAW EXAM CAN BE WAIVED DURING THE GRANDFATHER PERIOD IF:	
An applicant for licensure can demonstrate they attended a business and law exam review course presented by MSBOC staff by attaching the required certificate of attendance; or	An applicant for licensure agrees to complete a continuing education course during the first year of licensure. Applicant understands and agrees that this condition must be met prior to renewal.



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