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Does Your Contractor Need a License?

In the home construction industry, there are many types of contractors. These include General Contractors, Electricians, Plumbers, Framers, Roofers, and Tile Setters. Do these contractors need a license? No, in the State of Georgia, not all contractors need a license. Georgia has specific requirements for the licensing for some contractors which then provides the credentials for these contractors to pull permits and perform work.

Definition of a Contractor: A person who is qualified, or required to be qualified, and who, for compensation, contracts to, offers to undertake or undertakes to, submits a bid or a proposal to, or personally or by others performs the construction or the management of the construction for an owner of any building (house) or structure, for the construction or improvement of, addition to, or the repair, alteration, or remodeling of any building or structure for use by the owner or by others or for resale to others.

There are three levels of Residential and General Contractors: All of these contractors are licensed by the State of Georgia and should be able to provide you a license with their name on it. In addition, you should always ask they show you proof of their General Liability Insurance and Worker's Compensation Insurance (worker's compensation is required in Georgia if they have three or more workers).

Residential Basic Contractor: Limited to performing work on detached one-family and two-family residences and one family townhouses not over three stories in height. Typically, this type contractor would be the overall builder of the house or addition. Primarily they would schedule and supervise the work of the sub-contractors.

Residential-Light Commercial Contractor: Can perform all the work a Residential Basic Contractor is allowed as well as work related to multifamily and multiuse light commercial buildings less than four stories in height and less than 25,000 square feet in size. Typically, this type contractor would be the overall builder of any type and size house or additions, as well as apartments and other commercial building up to 3 stories in height and not over total floor space of 25,000 square feet. Primarily they would schedule and supervise the work of the sub-contractors.

General Contractor: Contractor whose services are unlimited as to the type of work which he or she may do, subject to financial limitations imposed by the following sub-classifications. Primarily they would schedule and supervise the work of the sub-contractors.

General Contractor Limited Tier: Contract limit of \$500,000.

General Contractor: Unlimited project size.

Other types of contractors licensed by the State of Georgia are **electrical contractors**, **plumbers**, **conditioned air contractors**, and **low-voltage contractors**. All of these specialty trade contractors should have a license

issued by the State of Georgia and they should also be able to provide you proof of their General Liability Insurance and Worker's Compensation Insurance (as required).

All other trade contractors are **Limited Service Specialty Contractors** and **Traditional Specialty Contractors** and are not regulated by the State of Georgia. However, they are limited in what work they can perform. For example, a framer cannot run electrical circuits and hook up lighting. They are limited to only framing. To see the entire list of these types of specialty contractors visit [the Secretary of State website](#).

For more information on Georgia State Law for licensing of contractors visit [OCGA Title 43, chapters 14 and 41](#)

Just because the sign on the contractor's truck says LICENSED and INSURED does not necessarily mean so. Be aware of what they should be able to show you as proof of their qualifications.



