



## Regulation of Contractors

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Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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**Reference Number:** MTAS-335

### **Licensing**

T.C.A. §§ 7-62-101, *et seq.*, allow municipalities and counties to license "residential, commercial, or assembly builders and residential, commercial, and assembly maintenance and alteration contractors." However, municipalities and counties are prohibited from imposing upon HVAC, plumbing, and electrical contractors any licensing requirements (i.e., tests, examinations, etc.) other than state requirements. T.C.A. § 7-62-104(7). Municipalities and counties also are prohibited from discriminating against a state licensee based on non-residency in the municipality or county. T.C.A. § 62-6-111(i)(2)(c). Municipalities may require a permit bond for contractors to ensure compliance with applicable laws and ordinances. Approving the permit bond program requires a two-thirds vote of the governing body. T.C.A. § 62-6-137.

### **Contractors' Permits**

An optional general law available for adoption by ordinance authorizes an unlimited number of building permits for general home repairs and improvements to be issued to state-licensed contractors. No more than 10 active permits may be issued to certain unlicensed contractors. T.C.A. §§ 7-62-201, *et seq.*

A building permit official must advise any permit applicant of the provisions of this law if it has been adopted by ordinance by the city. T.C.A. §§ 7-62-201, *et seq.*

### **Workers' Compensation Coverage Prerequisite to Issuing Permit**

Officials who issue building permits are required to make sure contractors have a certificate of compliance, a certificate of insurance, a workers' compensation policy, or a number from a certificate of compliance from the Department of Labor or other evidence of workers' compensation coverage before issuing a permit. T.C.A. § 13-7-211.

*DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.*

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