



MISSISSIPPI STATE BOARD OF CONTRACTORS

2019 Annual Report

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Message from the Executive Director

MSBOC measures success by achieving the purpose of the agency and by metrics beyond financial indicators. MSBOC strives to be a model regulatory agency that works to protect the public without being overly burdensome to contractors or a deterrent to business. We are grateful to our board members who devote their valuable time each year to guide the agency to fulfill the agency's purpose to protect the health, safety and welfare of all persons dealing with those engaged in the vocation of contracting.

During FY19, the agency experienced an increase in the number of commercial licenses issued and renewed, an increase in the number of residential licenses issued and renewed, an increase in the number of additional licensure classifications granted, an increase in the number of construction sites visited, and an increase in the number of complaints investigated and disciplinary hearings conducted.

In addition to regular duties, MSBOC enforcement officers participated with the National Association of State Contractors Licensing Agencies (NASCLA) in a national coordinated enforcement effort the weeks of June 3 – 21, 2019 that included 11 different states that took part in the event. Enforcement staff visited over 500 jobsites to perform compliance checks. Increased awareness and visits by investigators results in a decrease in contractor fraud and abuse throughout the state.

To provide a pathway to licensure, MSBOC staff negotiated and board members approved licensing reciprocity agreements with the South Carolina Residential Builders Commission and the North Carolina General Contractors Board. These two agreements increased the total number of licensing reciprocity agreements with neighboring states to eleven. In addition to a national building construction exam, board members also approved accepting a new national electrical examination. The national exams and reciprocity agreements further the agency's goal of facilitating professional licensing mobility and portability. Staff has already begun discussions with other states for additional reciprocity agreements and looks forward to offering additional options in the future.

Continued training and certification programs promote regulatory excellence. MSBOC makes a significant commitment to employee training to provide employees with a feeling of success, an increased awareness of the importance of a job well done and a heightened level of pride and independence. A number of MSBOC employees attended training sessions to learn new skills, sharpen existing ones, and increase productivity. Additionally, MSBOC staff conducted training sessions with local building officials to keep individuals abreast of current construction laws and regulations. These training sessions strengthen communication and build cooperative relationships with both regulatory groups.

These are just a few of the highlights from the year. More detailed accomplishments are outlined in the pages to follow. 2019 has been a fulfilling and successful 12 months. The agency has met its mission. Moving forward the agency will continue to serve the citizens of Mississippi while increasing transparency and keeping operating costs low.

Stephanie Sills Lee
Executive Director

Summary of Achievements

All areas of MSBOC operations are evaluated annually including Licensing, Enforcement, Education/Public Relations, and Disaster Response. Some highlights from each respective area are listed below:

Licensure: The Licensure Division oversees the processing and issuance of new applications, licenses and renewals for Mississippi's 10,000+ commercial and residential contractors. Efficiency and simplification of the licensing process is a top priority. Online renewal and application for licensure have been provided for convenience and savings for the construction industry. Applicants must demonstrate financial stability through the submission of financial documents and meet the statutory minimum net worth requirements. The Division also processes all name or corporate structural changes to licenses and provides assistance to already licensed contractors with the addition of classifications to their existing licenses. MSBOC staff processed more than 10,000 applications for licensure and renewal. Staff continued working with surrounding states to address reciprocity issues contractors face in obtaining a license and developing ways to make the licensing process more efficient. License applications and renewals increased during fiscal year 2019. The agency issued/renewed 247 more commercial certificates of responsibility than in fiscal year 2018. This represents a 3.5% increase in commercial licenses issued by the agency. Additionally, 422 additional classifications of work were added to existing commercial licenses. The agency issued/renewed 99 more licenses to contractors performing residential construction or residential remodeling, which was a 3.3% increase from fiscal year 2018.

Enforcement: The Enforcement Divisions is the investigative and compliance arm of the agency. This division works to ensure that construction project throughout the state are conducted in accordance with the contractor licensing laws of Mississippi. Investigators make routine construction site visits, handle complaints and allegations of unlicensed activities, monitor permit offices and partner with various law enforcement agencies to protect the general public. Maintaining a presence throughout the state, affords the agency an opportunity to inform contractors and the general public of the licensing laws. MSBOC investigators inspected construction sites around the state to ensure contractors working in Mississippi were properly licensed. The agency conducted 239 more site visits than the previous year. Investigators also investigated more than 300 complaints filed against contractors for poor work or irresponsible conduct. The increased visits, along with penalties levied by the board, resulted in the collection of \$586,077 in fines and civil penalties. The agency worked with local law enforcement as well as the Mississippi Attorney General's Office to prosecute crooked contractors and send the message that construction fraud will not be tolerated and violators will be prosecuted.

Education and Public Relations: MSBOC utilized funds received from licensure and penalties to distribute \$2,043,175 to provide construction education and craft training to various junior colleges and universities. This will ensure a quality workforce for Mississippi's future. The increase in funding resulted in an upswing in the number of students enrolled in construction education programs throughout the state. The Mississippi Housing Institute received \$66,175.00 collected from residential renewal fees to support qualified residential building programs and education. The agency participated in various trade shows, job fairs, and seminars. These events are an effective tool in keeping the public informed about construction

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industry regulations. The www.msbooc.us website provides tutorial assistance with Frequently Asked Questions and instructional videos for completing the application.

Disaster Response: MSBOC disaster response team members participated in disaster relief efforts in areas affected by severe weather. The disaster response team worked to keep citizens from being victimized by unscrupulous contractors following a disaster and assist contractors with the licensing process. Utilizing proactive measures, MSBOC's Disaster Response Team is dispatched to areas of the state affected by severe weather and tornadoes. This allows the agency to assist consumers and contractors with the rebuilding process. In addition, the agency's hands-on response in affected areas aids in protecting the public by deterring fraudulent contractors from perpetrating scams that commonly occur after a disaster. The agency utilized social media, public service announcements and advertisements, when appropriate, to educate consumers about contractors and contractor licensing laws.

Overview

Faulty or substandard construction can cause property damage, financial loss, injury and even death. While most contractors are trustworthy, there are an unfortunate few who are not. To protect consumers, Mississippi law requires that contractors be licensed.

The responsibility for licensing and regulating Mississippi's construction industry belongs to the Mississippi State Board of Contractors. The agency was created by the Legislature in 1952 to serve and protect the public from irresponsible contractors and is funded solely by fees and penalties associated with licensure.

MSBOC takes great pride in performing duties that ensure the protection of residents of Mississippi. In addition to educating consumers about the benefits of hiring licensed contractors, MSBOC activities include establishing minimum standards for obtaining a license, setting general criteria including financial and insurance requirements, maintaining a searchable database of licensed contractors, developing and administering examinations to test prospective licensees, processing license applications, issuing licenses, investigating complaints against licensed and unlicensed contractors, and taking disciplinary action against contractors who violate standards.

Setting basic standards for all contractors helps ensure that the industry as a whole has integrity. In a business as essential as construction, integrity and dependability are critical. As a licensing agency, MSBOC helps maintain consistency throughout the industry – giving consumers greater confidence. By establishing common-sense regulations for contractors, and providing valuable resources for property owners, contractor licensing builds the reputation of the construction industry as reliable and trustworthy.

MSBOC regulates both commercial and residential contractors who bid or perform construction projects when the value is:

- \$50,000 or more for commercial projects;
- \$5,000 or more for public fire sprinkler work;
- \$10,000 or more for private fire sprinkler work;
- \$10,000 or more for improvements to an existing residence;
- \$50,000 or more for new residential construction

There are more than 10,000 licensed contractors in the state, with multiple licensing classifications.

Board Composition

The Mississippi State Board of Contractors is comprised of ten (10) members appointed to staggered terms by the Governor. Two (2) road contractors; two (2) building contractors; two (2) residential builders; one (1) plumbing or heating and air conditioning contractor; one (1) electrical contractor; one (1) water and sewer contractor and one (1) roofing contractor shall compose the board. Each member shall be a resident of the State of Mississippi and must have been actually engaged in the contracting business for a period of not less than ten (10) years before appointment.

The following are members of the board:

Tony Carroll, Chairman – Amory, MS – Building Contractor

Hunter L. Fordice, Vice Chairman - Vicksburg, MS – Road Contractor

Thomas H. Kline, Chairman – Fulton, MS – Mechanical Contractor (Plumbing, Heat & Air)

Madison H. Smith – Tupelo, MS – Electrical Contractor

O. L. Sims – Hattiesburg, MS – Water and Sewer Contractor

David Smith – Ridgeland, MS – Residential Contractor

Greg Smith – Gulfport, MS – Residential Contractor

John Laws - Madison, MS – Building Contractor

Tyler Norman, Meridian, MS – Roofing Contractor

Norris L. Carson, Jr., Carthage, MS – Road Contractor

Residential Standing Committee

The Residential Standing Committee is subordinate to the State Board of Contractors. The standing committee shall be composed of two (2) residential builders who serve as members of the State board of Contractors and three (3) additional residential builders.

The following are members of the Residential Standing Committee:

RESIDENTIAL STANDING COMMITTEE

David Smith, Chairman – Ridgeland, MS

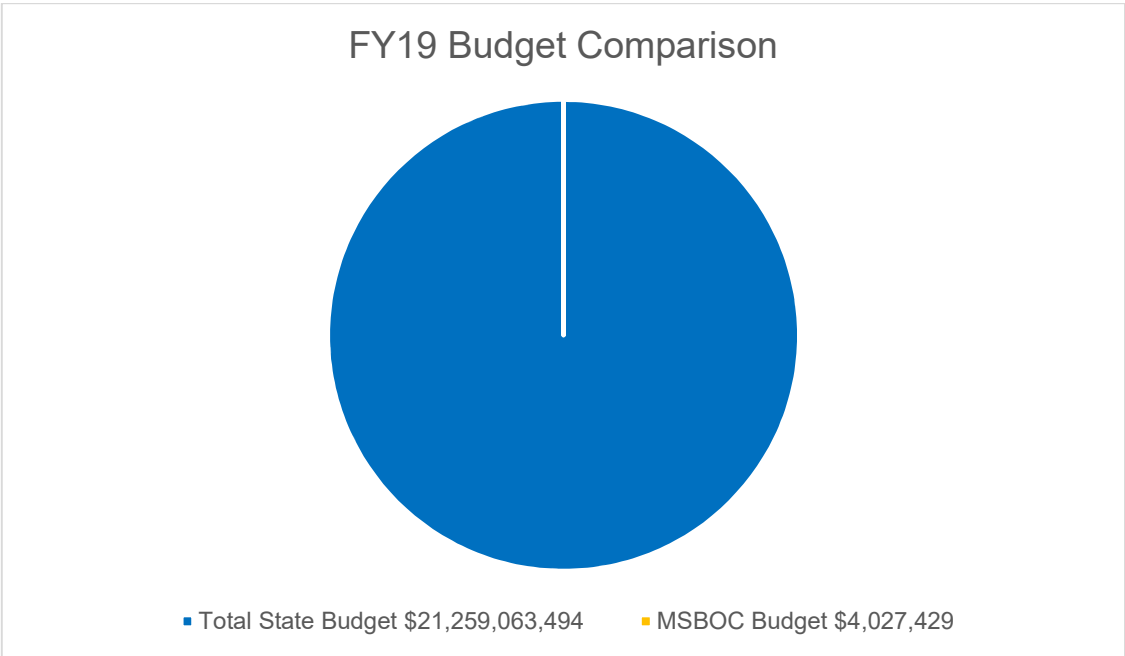
Diane Neyland – Madison, MS

Greg Smith – Gulfport, MS

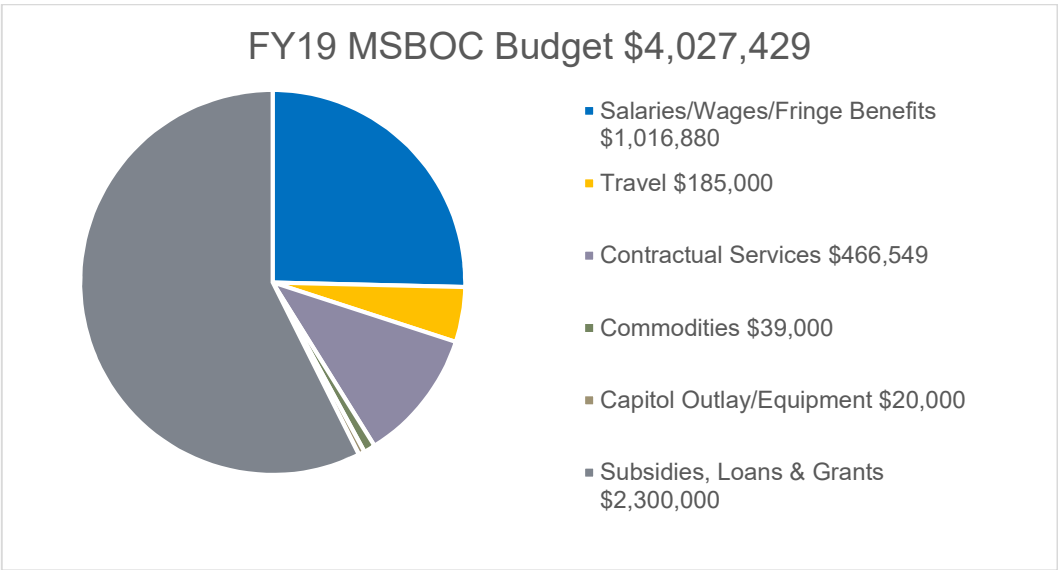
Kenneth Estes – Saltillo, MS

Tim Allred – Meridian, MS

Budget



The Mississippi State Board of Contractors was appropriated \$4,027,429 for fiscal year 2019. This amounts to significantly less than one percent of the overall budget for the State of Mississippi. As a fiscally responsible agency, MSBOC recognizes that all funds, whether special fund or general fund, belong to the taxpayers of the State of Mississippi. However, as a special fund agency, MSBOC is required to operate within the limits of the funds generated by the licensure process. Excess funds, if any, remain with the agency to be used to support agency goals and purposes as allowed by statute. This provides incentive to operate as efficiently and effectively as possible.



Program Performance

	2018	2019
Number of New Commercial Licenses	634	668
Number of Commercial Licenses Renewed	6,152	6,365
Number of New Residential Licenses	309	320
Number of Residential Licenses Renewed	2,647	2,735
Number of Additional Classifications Granted	384	422
Number of Construction Sites Visited	7,600	7,839
Number of Contractors Required to Pay Civil Penalties	199	213
Revenue Generated from Licensure Fees	\$2,209,285	\$2,842,440
Revenue Generated from Other Fees	\$87,990	\$85,111
Civil Penalties Collected	\$677,765	\$586,077
Grants provided for Construction Education and Craft Training	\$2,500,000	\$2,043,175

Contact Information



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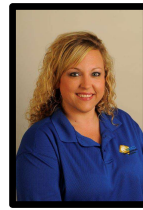
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