

RESIDENTIAL LICENSING LAW CHANGES



HB 1163 signed into law by Governor Tate Reeves resulted in modifications to the residential licensing laws. The law went into effect July 1, 2022. The new legislation requires all cities and counties to issue permits for construction work. The bill also amended current law to require a state issued license for residential subcontractors performing **HVAC, Electrical, Plumbing and/or Mechanical** work on a **residential construction** or **residential improvement** project. In other words, if a residential project is deemed a residential construction project or residential improvement project, then the subcontractor performing HVAC, Electrical, Plumbing and/or Mechanical work is required to have a state issued license regardless of the amount work to be performed by the subcontractor. **Residential construction** is any undertaking or offer to undertake the construction or superintending of construction of a structure for use by another as a residence when the cost of the undertaking exceeds \$50,000. **Residential improvement** is any undertaking or offer to undertake the construction or superintending of construction of improvements to an existing residence when the cost of the improvements exceed \$10,000.

*Subcontractors performing HVAC, Electrical, Plumbing and/or Mechanical work on any residential construction project or a residential improvement project that are required by HB 1163 to obtain a state license will need to complete the residential application which can be found at www.msbec.us. In order to assist contracting with the new law requirements, MSBOC has approved a “grandfather” period until **June 30, 2023** that waives the normally required exams if the conditions stated below are met. **The grandfather period applies only to the residential subcontractor trades HVAC, Electrical, Plumbing and/or Mechanical. After June 30, 2023, the normally required exam(s) will be mandatory. NO FURTHER EXTENSIONS WILL BE GRANTED.**

TRADE EXAM CAN BE WAIVED DURING THE GRANDFATHER PERIOD IF:

Option 1: An applicant for licensure submits proof of passing a standardized exam such as ICC or a city or county administered exam.

Option 2: An applicant for licensure that cannot provide proof of having passed an exam, but can demonstrate they have been in the business for five (5) years by submitting a notarized affidavit found on page 16 of the residential application and three (3) required reference letters listed below:

1. one (1) reference letter from a building official or a MSBOC licensed contractor specifying the classification(s) of work for which the applicant is seeking a license; and
2. one (1) reference letter from a bank or financial institution; and
3. one (1) general reference letter. This letter can be from a project owner, architect, supplier, etc.

THE BUSINESS AND LAW EXAM CAN BE WAIVED DURING THE GRANDFATHER PERIOD BY COMPLETING THE BUSINESS AND LAW VIDEO COURSE AND SUBMITTING THE REQUIRED CERTIFICATE OF COMPLETION TO MSBOC. *MSBOC WILL EMAIL A SECURE LINK TO ACCESS THE BUSINESS AND LAW VIDEO COURSE UPON ISSUANCE OF LICENSE.

FACT SHEET

Mississippi law requires a license issued by the Mississippi State Board of Contractors for the following:

- **COMMERCIAL** contractors (general and subs) performing work over \$50,000.
- **FIRE SPRINKLER** contractors performing work over \$5,000 on public commercial projects or \$10,000 on private commercial projects.
- **RESIDENTIAL BUILDER** performing new residential construction over \$50,000. The Residential Builder license covers residential remodeling and residential roofing work.
- **RESIDENTIAL REMODELER** making improvements to an existing residence over \$10,000. The Residential Remodeler license also covers residential roofing work.
- **RESIDENTIAL ROOFER** performing roofing work on a residence over \$10,000. The Residential Roofer license covers roofing work only.
- **RESIDENTIAL SUBCONTRACTORS** performing life safety trades of **residential electrical work, residential plumbing work, residential hvac work or residential mechanical work** on residential construction or residential improvement projects, no matter the dollar amount of the construction or improvements.
- **RESIDENTIAL CONSTRUCTION MANAGERS** acting in the capacity as a construction manager through a contract or an agreement with the owner of the property.
- **RESIDENTIAL SOLAR CONTRACTORS** acting in the capacity as a residential solar contractor.

*MSBOC recommends that all contractors check with the local authority for the city/county they will be working in for any additional requirements that may apply.

Applicants who need to obtain a **RESIDENTIAL** license, must complete the residential application and submit all required documentation.

The grandfather period only applies to the **residential subcontractor trades HVAC, Electrical, Plumbing and/or Mechanical and only waives the normally required exams**. Applicants must complete the requisite application and submit all other required documentation. **The grandfather period expires June 30, 2023. After June 30, 2023, the normally required exam(s) will be mandatory. NO FURTHER EXTENSIONS WILL BE GRANTED.**

Applicants who already hold a state license issued by MSBOC, but want to add a classification of HVAC, Electrical, Plumbing and/or Mechanical will need to complete an APPLICATION FOR ADDITIONAL CLASSIFICATION and AFFIDAVIT OF QUALIFYING PARTY APPLYING FOR RESIDENTIAL SUBCONTRACTOR CLASSIFICATION and provide 3 reference letters: one (1) letter from a building official or a currently licensed MSBOC contractor specifying the classification of work for which the applicant is seeking a license; one (1) letter from a bank or financial institution; and one (1) general reference letter from a project owner, architect, supplier, etc.

Applicants are encouraged to watch the application instruction video found on www.msdoc.us. The video explains the applications process and helps the applicant gather the required documents that are necessary for processing the application. Applications are processed in the order in which they are received. MSBOC will notify applicant if anything is missing and the applicant will be allowed to provide any missing information. MSBOC will hold applications on file for 180 days. After 180 days incomplete applications will be destroyed.

HB 1163 did not change any requirements necessary for obtaining a **COMMERCIAL** license from MSBOC. In order to obtain a commercial license, applicants must complete the commercial application and submit all required documentation and pass the required exam(s).

A license issued by MSBOC is valid for one (1) year from the date of issuance. It is the responsibility of the license holder to renew a license annually.