



MSBOC

Mississippi State Board of Contractors

ANNUAL REPORT 2023

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MESSAGE FROM THE EXECUTIVE DIRECTOR

As we approach the end of another year, I am pleased to present the Annual Report in accordance with Mississippi Code Ann. §27-103-129. In presenting the Mississippi State Board of Contractors' 2023 Annual Report, we reflect on the accomplishments and progress made over the past year. We take pride in our commitments to maintaining high standards in licensing and regulation, fostering integrity, and promoting professionalism within the construction industry.

Throughout 2023, our dedication to enhancing efficiency, communication, and adaptability has remained unwavering. We have worked diligently to streamline processes, ensuring a more responsive approach to the needs of our license holders and the industry as a whole.

In our ongoing pursuit of improvement, we have introduced innovative initiatives to address emerging challenges. This includes leveraging technology for more accessible services and collaborating with industry partners to enrich educational opportunities, supporting the growth and success of our license holders.

A significant achievement this year has been the successful implementation of a streamlined complaint process. Encouraging consumers to submit documentation electronically has reduced processing times. Since the online option became available, forty-nine percent (49%) of consumer complaints have been submitted using the online portal.

Looking ahead, we remain resolute in our mission to protect the public and promote excellence in the construction profession. Excited about the possibilities that lie ahead, we are committed to staying at the forefront of industry advancements.

My deepest gratitude goes to our dedicated staff, esteemed board members, and the entire construction community for their unwavering support and collaboration. Together, we will continue building a resilient and thriving construction industry in Mississippi.

Sincerely,
Stephanie Sills Lee, Executive Director

EXECUTIVE SUMMARY

Established by the legislature in 1952, the Mississippi State Board of Contractors (MSBOC) was formed with the primary aim of safeguarding the public from irresponsible contractors. The agency's funding is exclusively derived from fees and penalties associated with licensure. Each year, all facets of MSBOC operations including Licensure, Enforcement, Education/Public Relations, and Disaster Response undergo thorough annual evaluations. Key highlights from each respective area are outlined below.

Licensure: The Licensure Division is tasked with promptly reviewing and handling applications for individuals seeking either a new license or renewal.

- Staff processed more than 12,500 applications for licensure and renewal in FY23.
- There were 12,373 licensed contractors in Mississippi at the end of FY23 representing a 17% increase from the prior year. Fifty-eight percent (58%) of licensees held a commercial license while forty-two percent (42%) held a residential license.
- Forty-one percent (41%) of contractors licensed by MSBOC are from out of state, demonstrating a streamlined licensing process with minimal hurdles.
- Staff worked with surrounding states to update reciprocity agreements and develop ways to reduce barriers to licensing.
- Staff continued to evaluate all processes, procedures and forms to simplify and streamline the application, examination and renewal processes for applicants and licensed contractors.
- HB 1163 passed during the 2022 legislative session required six new classifications of licensure for residential contractors. The Board implemented a grandfather period for licensure to assist with compliance with the new law requirements. The grandfather period ended June 30, 2023. The MSBOC website as well as all applications and licensing forms were updated to reflect the changes enacted pursuant HB 1163.
- MSBOC staff participated in outreach initiatives and conducted licensure workshops around the state to educate contractors, applicants, government officials, and construction industry leaders.

Enforcement: The Enforcement Division is the investigative and enforcement arm of MSBOC. This division works to ensure that construction projects 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 conducted 5,177 site visits around the state to ensure contractors working in Mississippi were properly licensed.
- Enforcement staff processed 261 complaints filed against both licensed and unlicensed contractors.

- The agency collected \$675,433 in fines and penalties associated with licensing law violations.
- Staff conducted outreach and communication efforts, including presentations to building officials, code enforcement officials, and industry trade associations concerning licensing laws and updates.

Education and Public Relations: The Education and Public Relations division serves to extend MSBOC services around the state and promote quality construction in Mississippi. Proactive regulation through marketing outreach helps prevent violations and protects the health, safety and welfare of the public.

- Investing in construction education and craft training helps ensure a quality workforce for Mississippi's future. Utilizing funds received from licensure and penalties, MSBOC distributed \$2,300,000 to provide construction education and craft training at various high schools, junior colleges and universities in Mississippi pursuant to statutory mandate.
- The Mississippi Housing Institute received \$67,575 collected from residential renewal fees to support qualified residential building programs and education pursuant to statutory mandate.
- MSBOC utilized various marketing methods aimed at protecting consumers from contractor fraud. The marketing campaigns are an effective tool in keeping the public informed about construction industry regulations.
- The agency utilized press releases, social media, public service announcements and advertisements, when appropriate, to educate consumers about contractors and contractor licensing laws.
- The agency's website was redesigned and improved to include interactive videos, instructions and online services, making it much more user friendly and beneficial for public users.
- MSBOC's newsletter subscription rate increased by 1,524 net new contacts.

Disaster Response: The MSBOC Disaster Response Team works to keep citizens from being victimized by unscrupulous contractors following natural disasters and assists contractors with the licensing process. 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 while simultaneously assisting consumers and contractors with the rebuilding process. Taking this proactive approach proves to be very beneficial for property owners and reduces the number of complaints against contractors.

- FY23 was an active year in Mississippi for severe weather events which resulted in widespread structural damage in several areas of the state from Rolling Fork to Tupelo.
- MSBOC dispatched Disaster Response Team members to areas impacted by severe weather, hurricanes and tornados. Investigators worked with law enforcement and building officials in impacted areas to address unlawful and/or fraudulent activity.

ABOUT THE MISSISSIPPI STATE BOARD OF CONTRACTORS

Ensuring the safety and well-being of Mississippi residents is paramount, and the Mississippi State Board of Contractors (MSBOC) plays a crucial role in upholding these standards. The ramifications of substandard construction are far-reaching, encompassing property damage, financial loss, injuries, and tragically, even death. Recognizing these potential risks, Mississippi law mandates that contractors be licensed, with MSBOC shouldering the responsibility for regulating the state's construction industry.

MSBOC operates under the authority of Miss. Code Ann. §31-3-1, et. seq. and Miss. Code Ann. §73-59-1, et. seq., diligently executing a range of activities aimed at safeguarding consumers. These initiatives include not only educating consumers on the advantages of hiring licensed contractors, but also establishing minimum standards for licensure. This encompasses criteria such as financial and insurance requirements, maintaining a comprehensive database of licensed contractors, and administering examinations to assess prospective licensees.

Furthermore, MSBOC is actively involved in processing license applications, issuing licensees, and investigating complaints against both licensed and unlicensed contractors. Disciplinary actions are taken when contractors violate established standards, underscoring the board's commitment to maintaining the high levels of professionalism within the construction industry.



MSBOC takes great pride in its role as a comprehensive agency, serving a diverse array of construction professionals—from commercial and residential builders to electrical and mechanical contractors, water and sewer contractors, road builders, and roofers. This all-encompassing approach optimizes efficiency for both contractors and the public, setting Mississippi apart from neighboring states with multiple licensing agencies. Through these efforts, MSBOC continues to fortify the foundation of a secure and thriving construction environment in Mississippi.

Setting basic standards for all contractors ensures 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.

Through the Commercial Board and its Residential Subcommittee, MSBOC regulates commercial and residential contractors who bid or perform construction projects with the following thresholds, including materials and labor:

- \$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
- Residential subcontractors performing the life safety trades of electrical, mechanical, HVAC and plumbing work.
- Residential construction manager
- Residential solar contractor

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. Each member is required to 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 - Fulton, MS - Mechanical Contractor (Plumbing, Heat & Air)

Madison H. Smith - Tupelo, MS - Electrical Contractor

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

Greg Smith - Gulfport, MS - Residential Contractor

Tim Allred - Meridian, MS - Residential Contractor

Michael C. Rozier, Jr. - Hattiesburg, MS - Building Contractor

Tyler Norman, Meridian, MS - Roofing Contractor

Lee Carson, Carthage, MS - Road Contractor

RESIDENTIAL STANDING COMMITTEE

The Residential Standing Committee is subordinate to the State Board of Contractors. The Standing Committee is 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:

Greg Smith - Gulfport, MS

Tim Allred - Meridian, MS

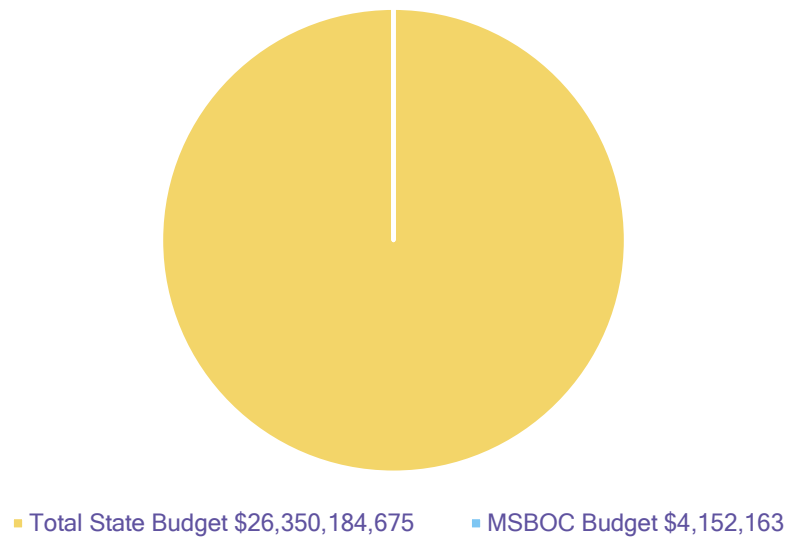
Kenneth Estes - Saltillo, MS

Bruce Kirkland- Ridgeland, MS

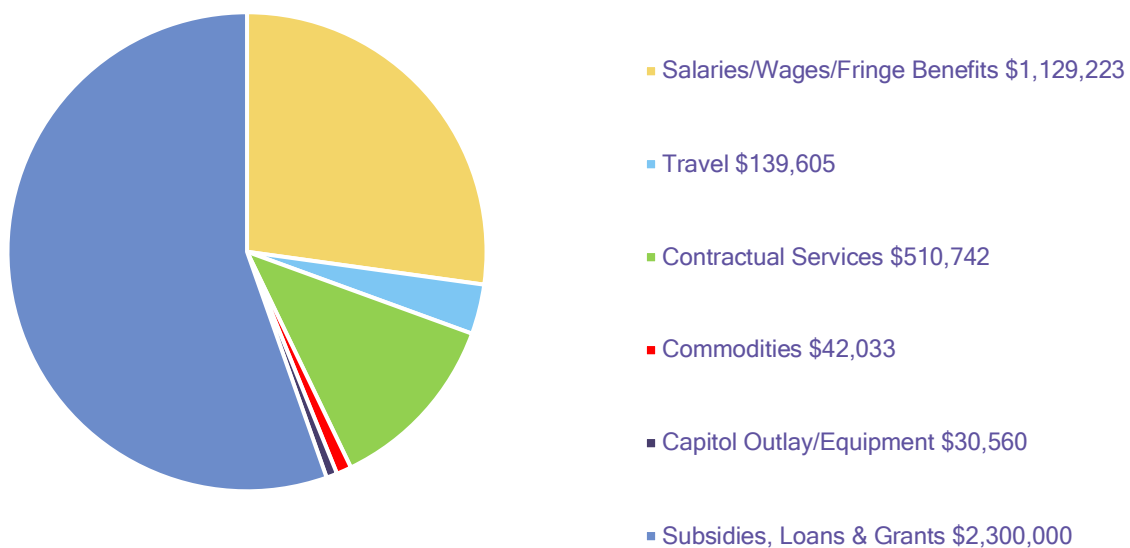
Trey Pace - Madison, MS

FINANCIAL SUMMARY

FY23 Budget Comparison



FY23 MSBOC Budget \$4,152,163





PROGRAM PERFORMANCE AND EFFICIENCIES

Licensure - provide licensing services in a timely and professional manner.

- Effectively manage the application process to promote and preserve properly licensed contractors.
- Analyze methods and options to streamline and simplify the application process to better serve the public.
- Offer fillable forms online to expedite the licensure process.
- Ensure licensure exams are up to date and consistent with industry best practices.
- Utilize consumer satisfaction survey to improve services offered.

Enforcement - promote consumer protection through the regulatory enforcement process by ensuring construction contractors are properly licensed and qualified to provide construction services.

- Reduce and prevent unlicensed activity and unprofessional conduct that poses a threat to public safety and threatens legitimate business activity.
- Verify proper licensing credentials at construction sites.
- Respond to complaints from public in a timely manner.

Education and Public Relations - promote and encourage education of contractors, industry officials, consumers and agency employees.

- Expand the number of skilled workers.
- Utilize specially appropriated funds for construction education and craft training.
- Promote awareness of MSBOC services and the benefits of hiring a licensed contractor.

Disaster Response - support consumers and contractors with the rebuilding process following a disaster.

- Protect consumers from common scams that occur after a disaster and assist contractors with the licensure process.
- Utilize various forms of media to warn individuals about unlicensed and fraudulent contractors.
- Decrease the number of complaints against unlicensed and fraudulent contractors who prey on disaster victims.
- Evaluate protocols for a coordinated disaster response plan with various agencies.
- Conduct preparedness drills and exercises.
- Use public events as a platform to communicate disaster response themes and messages.

PROGRAM PERFORMANCE AND EFFICIENCIES

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|-------------|-------------|-------------|-------------|-------------|
| Number of New Commercial License Applications | 668 | 642 | 647 | 628 | 652 |
| Number of Commercial Licenses Renewed | 6,365 | 6,423 | 6,493 | 6,599 | 6,500 |
| Number of New Residential License Applications | 320 | 296 | 364 | 330 | 2,960 |
| Number of Residential Licenses Renewed | 2,735 | 2,671 | 2,678 | 2,690 | 2,688 |
| Number of Additional Classifications Granted | 422 | 434 | 444 | 384 | 1,837 |
| Revenue Generated from Licensure Fees | \$3,087,880 | \$3,141,070 | \$3,185,625 | \$3,225,990 | \$3,327,230 |
| Revenue Generated from Other Fees | \$239,006 | \$211,803 | \$222,401 | \$223,870 | \$639,871 |
| Number of Construction Sites Visited | 7,839 | 8,234 | 7,033 | 6,768 | 5,177 |
| Number of Contractors Required to Pay Civil Penalties | 213 | 120 | 163 | 142 | 152 |
| Civil Penalties Collected | \$580,508 | \$426,680 | \$652,620 | \$404,310 | \$675,433 |
| Grants provided for Construction Education and Craft Training | \$2,043,175 | \$2,058,291 | \$2,300,000 | \$1,797,075 | \$2,300,000 |
| Disaster Response Drills/Training/Events | 8 | 4 | 8 | 4 | 8 |

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