



The Office of Secretary of State

Karen C. Handel
SECRETARY OF STATE

January 15, 2008

Dear Legislators:

Many of you are continuing to receive constituent inquiries regarding the Residential and General Contractor licensure requirements, so I wanted to provide a follow-up to my letter of December 6, 2007, as well as an updated information backgrounder (attached). As we move forward with the transition of this profession from unlicensed to licensed, we expect that constituent calls will continue over the next few months.

The majority of the recent inquiries to your office most likely involve applicants who have received “denial letters.” These denial letters relate to those applicants who sought to be exempt from actually taking the licensure examination. They are not blanket denials for licensure. Anyone who has been denied exam exemption may still request an appearance before the Board to provide additional information and to request the Board’s reconsideration of its denial. Additionally, these individuals may also apply to sit for the exam.

The legislation provided that applicants meeting certain criteria would be eligible for an exemption from taking the licensure examination. Some of these requirements are set forth in the legislation, while others were established by rule of the Board. The legislation did not provide for across-the-board grandfathering.

The deadline to apply for exam exemption was July 2, 2007. The Board received nearly 17,500 applications for exam exemption. To date, the Board has approved 9,200 applications, and these applicants have received written notice of their exam-exemption approval. Approximately 2,300 applications are pending review by the Board. (See the attached background for more details.)

While thousands of exam exemption applications have been approved, a significant number of applicants -- approximately 6,000 to date -- did not meet the exam-exemption requirement and have been denied. Denials occurred primarily for three reasons: 1) applicant is engaged in work that does not require a license; 2) applicant did not meet the exemption criteria; or 3) applicant failed to provide additional information as requested. These applicants have received written notice with an explanation of the specific deficiency preventing qualification for exam-exemption, along with details on how to appear before the Board for reconsideration and how to apply to take the exam.

Please be assured that every application underwent a thorough review. If additional information was needed, the applicant received a letter detailing the information required and urging immediate response. When additional information was received, the application received another complete and thorough review.

Please also be assured that the Board is giving every applicant every opportunity to provide the information and documentation to meet exam exemption requirements. However, it was necessary for the Board to begin moving forward with the decision to approve or deny, so that those applicants not qualified for exam exemption would have sufficient and appropriate time to apply and sit for the exam.

Again, please let me remind you, the Board is set up as an independent body with its members appointed by the Governor. The ability to grant or deny a license is made solely by the Board. If an applicant has been denied, neither myself nor any member of my staff has the ability to overturn their decision. Applicants who have been denied may still receive a license by applying for and passing the examination or may request an appearance before the Board to provide more information for the Board's consideration. The Board has recently added more meeting times to accommodate those applicants who have requested an appearance.

We realize that this is a difficult process. Any transition of this nature is bound to be challenging. The Board and I, along with our entire team, are committed to doing whatever we can to complete the fair, timely and successful implementation of this legislation.

As always, we are here to assist you in any way we can. If you have a constituent issue on this matter, please let us know. Michael O'Sullivan on our team is taking the lead in coordinating these inquiries. He can be reached at 404-656-2881, and of course, you are always welcome to call me directly.

Thank you for your assistance and patience as the Board and this agency team work to implement this legislation.

Sincerely,



Karen C. Handel

Attachments

cc: Governor Sonny Perdue
Governor's Office of Consumer Affairs
Phillip Thayer, Chairman, Residential and General Contractors Board
(w/ attachments)



Residential and General Contractors Information Backgrounder

As of January 14, 2008

What is a “denial letter,” and what does it mean?

A “denial letter” is the written notice sent to an applicant who has applied to be exempt from actually taking the licensing exam and has not met the legal requirements for exemption. It does NOT mean that the applicant has been denied an actual license. Denials occurred primarily for three reasons: 1) applicant is engaged in work that does not require a license; 2) applicant did not meet the exemption criteria; or 3) applicant failed to provide additional information as requested.

What is a “deficiency letter”?

A “deficiency letter” is the written notice sent to an applicant after a thorough review of his or her application has been conducted. This letter identifies the specific areas of deficiency and provides general guidance on how to address the deficiencies. The letter also provides other licensing options if applicable. For example, if an applicant applies for a General Contractor license and submits only residential projects, staff will recommend that the applicant apply as a residential basic contractor or submit qualifying general contracting projects. Staff is trained to evaluate an application and assist an applicant based on what he or she has submitted. The deficiency letter requests a response within 35 days.

What does “exam exemption” mean? What are the criteria?

The legislation provided that contractors meeting certain criteria would be exempt from actually taking the licensing exam. The legislative criteria to be exempt from the exam includes: work experience, good moral character, successfully completed projects, qualifications as to competency, ability, integrity, and financial responsibility, minimum net worth (General Contractors only), and general liability insurance. The Board then adopted additional criteria by rule and set specific minimum requirements, as provided for in the legislation. This includes requiring the submittal of back-up documents (such as permits and certificates of occupancy, architect reference letters, bank accounts and lines of credit, CPA-performed audits or reviews). The Board also set the amount of net worth (General Contractor only) and amounts of insurance coverage required.

For what reasons are exam-exemption applications denied?

The reasons for denial vary. Some applicants are contractors in areas that do not require licensure, such as roofers, painters, installers of siding, and paving and grading contractors. The Board has adopted a list of specialty contractors who are exempt from licensure. This list can be found on our website at www.sos.ga.gov/plb/contractors/Specialty_Contractors.htm.

Others have been denied because they failed to meet the legal requirements for examination exemption, their application was incomplete, or they failed to provide additional information that was requested.

Keep in mind that any applicant that is denied exam exemption may still obtain a license by applying to take the exam and then passing that exam.

What are the options for those who have been denied exam exemption?

The Board has the sole authority over approvals/denials of applications. The applicant may request an appearance before the appropriate division of the Board for reconsideration. To request an appearance before the Board, the applicant must submit a request to the Board in writing to:

State Board of Residential and General Contractors
Professional Licensing Boards
237 Coliseum Drive
Macon, Georgia 31217

Or email: llowe@sos.ga.gov

If the applicant intends to request appearance, it is recommended that this be done immediately, so that the appearance can be scheduled at the earliest possible time. Applicants requesting an appearance will be notified by phone followed by written confirmation of the date, time, and location of the appearance within 7 business days.

What if the Board does not overturn the denial?

If the Board denies an applicant's request for exam exemption and such denial is upheld after the applicant appears before the Board, the individual may still receive a license by submitting a completed application for examination. The individual completes and submits the application for licensure by examination to the Board for its approval.

We anticipate a surge in volume of examination applications as we move towards July 1, 2008. We strongly recommend individuals apply as soon as possible to allow time for application processing, subsequent testing and scoring prior to the July 1, 2008 deadline.

Applications for examination may be downloaded at <http://sos.georgia.gov/cgi-bin/PLBForms.asp>.

What is the exam process?

To obtain a license through the exam process, an individual submits the applicable examination application to the Board for approval. Applications may be downloaded at our website at <http://sos.georgia.gov/cgi-bin/plbforms.asp?board=49>

Our goal is to have all exam applications reviewed by Board staff within 5 days. If additional information is needed, the applicant will receive a deficiency letter identifying what additional information is needed. The Board has given staff administrative authority to process all examination applications. Upon approval, applicants will receive written notification of the approval, along with the details for scheduling and taking the exam.

Candidates may take the examination at any of the three testing locations in Georgia (Atlanta, Macon, or Tifton), or the test may be taken at any one of the numerous sites of the approved test vendor. A complete list of these locations may be found on the test vendor's website: www.psiexams.com.

Exams began being administered in May, 2007. To date, approximately 500 individuals have submitted exam applications. Of these, the Board has approved 350 applicants to sit for the exam with the remaining 150 pending Board approval. Approximately 130 of the 350 individuals have taken the exam.

Again, we strongly urge those individuals planning to sit for the examination submit their application and, upon approval, get the exam scheduled immediately. The license requirement goes into effect on July 1, 2008. Taking the exam as soon as possible will ensure that this requirement can be met.

What steps are being taken to communicate the licensing and testing requirement?

Because so few individuals have taken the test to date, the Secretary of State's office (partnership with the Board) will launch a communication effort by the end of January urging applicants to make arrangements to take the test as soon as possible.

This campaign will include:

- Press Releases;
- Notification to and partnership with organizations such as GABLO (Georgia Association of Building Licensing Officials), BOAG (Building Officials Association of Georgia), HBAG (Home Builders Association of Georgia), AGC (Associated General Contractors), GAHBA (Greater Atlanta Homebuilders Association), Associated Builders and Contractors; and GBCA (Georgia Black Contractors Association);
- Regular updates to the website
- Postcard reminders to those applicants eligible to sit for the exam but have yet to schedule it.

What is the overall status of license applications?

The Board received nearly 17,500 examination exemption applications. The status of these applications is as follows:

- All applications have undergone at least two rounds of review -- the initial review and a subsequent review of additional information submitted in response to deficiency letters.
- Approximately 9,200 applicants have been approved and been sent an approval letter.
- Approximately 6,000 applicants have been denied exam exemption and have been sent a letter explaining the specific deficiency preventing the applicant from qualifying for the exemption, along with details on how to appear before the Board to appeal the denial and how to apply to sit for the exam.
- Approximately 2,300 applications are pending
 - 1,500 of these are pending Board review of responses to deficiency letters. Board members are reviewing files weekly in an effort to complete them in such a timeframe to allow for time to pursue examination, should an applicant choose to do so.
 - 800 of these are applications that require additional information. All applications have undergone at least two rounds of review -- the initial review and subsequent review(s) of responses to deficiency letters. The majority of these have minor deficiencies that are expected to be easily addressed.
- Applicants may check the status of their application online at www.sos.ga.gov/plb.
- The decision to grant or deny all applicants is made solely by the Board.

When will actual licenses be issued / mailed?

Actual licenses will be issued in spring 2008 to all contractors who have been approved by the Board. The actual license will be mailed to the applicant at the address provided in his/her application. If the applicant's address has changed, he or she must notify the Board immediately at

State Board of Residential and General Contractors
237 Coliseum Drive
Macon, Georgia 31217

Or email: llowe@sos.ga.gov

For more information:

If you or your constituent needs additional information, please visit www.sos.ga.gov/plb or call (404) 656 – 2881.

#