

**NOTICE OF INTENT TO ADOPT PROPOSED RULE  
TO THE STATE LICENSING BOARD FOR RESIDENTIAL AND GENERAL  
CONTRACTORS RULES CHAPTER 553-7, RULE 553-7-.01 WRITTEN WARRANTY,  
AND NOTICE OF PUBLIC HEARING**

TO ALL INTERESTED PERSONS AND PARTIES:

Notice is hereby given that pursuant to the authority set forth below, the State Licensing Board for Residential and General Contractors (hereinafter "Board") proposes amendments to the State Licensing Board for Residential and General Contractor Rules, Chapter 553-7 (hereinafter "proposed amendments"). The proposed amendment revises Rule 553-7-.01.

This notice, together with an exact copy of the proposed rule and a synopsis of the proposed rule, is being forwarded to all persons who have requested, in writing, that they be placed on an interested parties list. A copy of this notice, an exact copy of the proposed rule, and a synopsis of the proposed rule may be reviewed during normal business hours of 8:00 a.m. to 5:00 p.m. Monday through Friday, except official State holidays, at the Office of the Secretary of State, Professional Licensing Boards Division, 237 Coliseum Drive, Macon, Georgia 31217. These documents will also be available for review on the State Licensing Board for Residential and General Contractor's web page at [www.sos.ga.gov/plb/contractors/](http://www.sos.ga.gov/plb/contractors/). Copies may also be requested by contacting the Board office at 478-207-2440.

A public hearing is scheduled to begin at 9:00 a.m. on July 9, 2008 at the Professional Licensing Boards Division, 237 Coliseum Drive, Macon, Georgia 31217 to provide the public an opportunity to comment upon and provide input into the proposed rule. At the public hearing anyone may present data, make a statement, comment or offer a viewpoint or argument whether orally or in writing. Lengthy statements or statements of a considerable technical or economic nature, as well as previously recorded messages, must be submitted for the official record. Oral statements should be concise and will be limited to 5 minutes per person. Additional comments should be presented in writing. Written comments are welcome. To ensure their consideration, written comments must be received on or before July 2, 2008. Written comments should be addressed to Randall D. Vaughn, Division Director, Secretary of State, Professional Licensing Boards Division, State Licensing Board for Residential and General Contractors, 237 Coliseum Drive, Macon, Georgia 31217. FAX: 478-207-1660.

The proposed rule will be considered for adoption by the State Licensing Board for Residential and General Contractors at its meeting scheduled to begin at 9:05 a.m. on July 9, 2008 at the Professional Licensing Boards Division, 237 Coliseum Drive, Macon, Georgia 31217. According to the Department of Law, State of Georgia, the State Licensing Board for Residential and General Contractors has the authority to adopt the proposed rule pursuant to authority contained in O.C.G.A §§ 43-41-5 and 43-41-7.

At its meeting on May 7, 2008, the Board voted that the formulation and adoption of these amendments do not impose excessive regulatory cost on any licensee and any

cost to comply with the proposed rule cannot be reduced by a less expensive alternative that fully accomplishes the objectives of O.C.G.A §§ 43-41-5 and 43-41-7.

Also, at its meeting on May 7, 2008, the Board voted that it is not legal or feasible to meet the objectives of O.C.G.A §§ 43-41-5 and 43-41-7 to adopt or implement differing actions for businesses as listed at O.C.G.A. § 50-13-4(a)(3)(A), (B), (C) and (D). The formulation and adoption of these rules will impact every licensee in the same manner and each licensee is independently licensed, owned and operated and dominant in the field of residential and general contracting.

For further information, contact the Board office at 478-207-2440.

This notice is given in compliance with O.C.G.A. §50-13-4.

This 19<sup>th</sup> day of May, 2008.

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Randall D. Vaughn  
Division Director  
Professional Licensing Boards

Posted: May 19, 2008

**SYNOPSIS OF PROPOSED RULE OF THE  
STATE LICENSING BOARD FOR RESIDENTIAL AND GENERAL CONTRACTORS  
RULES CHAPTER 553-7, RULE 553-7-.01 WRITTEN WARRANTY.**

Purpose: The purpose of this rule revision is to provide definitions and to provide requirements for the written warranty.

Main Features: The main feature of this rule is to provide definitions for “covered contract” and single family residence” and to provide requirements for the written warranty.

**PROPOSED RULE FOR THE  
STATE LICENSING BOARD FOR RESIDENTIAL AND GENERAL CONTRACTORS  
RULES CHAPTER 553-7, RULE 553-7-.01 WRITTEN WARRANTY.**

NOTE: Struck through text is proposed to be deleted. Underlined text is proposed to be added.

**553-7-.01 Written Warranty**

~~A licensed residential contractor and any affiliated entities shall offer a written warranty in connection with each contract to construct, or superintend or manage the construction of any single family residence where the total value of the work or activity or the compensation to be received by the contractor for such activity or work exceeds \$2,500. The residential division, for both residential basic contractors and residential light commercial contractors, hereby establishes warranty requirements for activity or work exceeding \$2,500 as follows:~~

~~It shall be presumed that all materials and services provided by the builder and/or affiliated entities will have a one year warranty unless the contractor and/or any affiliated entities provide the purchaser a written document with specific terms of warranty coverage.~~

(1) Definitions:

(a) “Covered contract” shall mean any contract to construct, or superintend or manage the construction of, any single family residence where the total value of the work or activity or the compensation to be received by the contractor for such activity or work exceeds \$2,500.00.

(b) “Single family residence” shall be deemed and construed to mean a “one or two family residence” as defined in the current edition of the state minimum standard International Residential Code (IRC).

(2) A licensed residential contractor and any affiliated entities shall offer a written warranty in connection with each covered contract.

(3) A licensed residential contractor that enters into a covered contract shall provide a written warranty which describes, at a minimum:

(a) Covered work and activities;

(b) Covered exclusions;

(c) Standards for evaluating work and activities, which standards shall be those set forth in the current edition of the Residential Construction Performance Guidelines as published by the National Association of Home Builders;

(d) The term of the warranty, including commencement date(s) or event(s);

(e) Claim procedures;

(f) Contractor response options (such as repair, replace or compensate);

(g) Assignable manufacturer warranties.

(4) Prior to the execution of a covered contract, a licensed residential contractor shall attach a complete copy of the written warranty (or an identical blank standard form of it) to the covered contract or otherwise make same available for review.

Authority: O.C.G.A. §§ 43-41-5 and 43-41-7.