

Section 34-8-2

Licensure and classification of contractors.

(a) Any person desiring to be licensed or desiring a renewal of an existing license as a general contractor in this state shall be a citizen of the United States or, if not a citizen of the United States, a person who is legally present in the United States with appropriate documentation from the federal government, and shall make and file with the board, not less than 30 days prior to any regular meeting thereof, a written application on a form as prescribed for examination by the board and the application shall be accompanied by three hundred dollars (\$300) for a new application or two hundred dollars (\$200) in case of a renewal. If a licensee fails to renew his or her license within 90 days following expiration of the previous license, a late penalty of fifty dollars (\$50) shall be collected, upon renewal, in addition to the renewal fee. The applicant shall apply for a license covering the type or types of contracts on which he or she wishes to perform, and shall provide proof of liability insurance. The board shall classify contractors according to the type or types of contracts on which they may perform, within maximum bid limits, on the following basis: The applicant's request, his or her last annual financial statement prepared by a certified public accountant (C.P.A.) or by any independent licensed public accountant approved by the Licensing Board for General Contractors, his or her previous experience, equipment, and the facts in each case. An applicant shall not be so classified as to permit him or her to bid on or to perform a type of work not included in his or her request for a license. If the application is satisfactory to the board, then the applicant may be required to take an examination to determine his or her qualifications. If the result of the examination of the applicant is satisfactory to the board, the board shall then issue to the applicant a certificate to engage in general contracting in the State of Alabama, stipulating in each license issued the type or types of work the contractor is permitted to bid on or to perform under his or her license and also setting out a letter symbol indicating the maximum limits on which he or she is permitted to bid or to perform in a single contract. The maximum bid limits shall be set by the formula of not more than 10 times either the net worth or working capital, whichever is the lesser amount, as shown by the applicant's latest financial statement and designated in the classification set out herein that is the closest to this amount. Should the financial statement of the applicant fail to substantiate the limits requested, further consideration may be given to either of the following: (1) the present market value in lieu of book value of listed assets when properly supported with substantiating evidence, including a combined statement of the applicant that includes other wholly owned or substantially owned interests, or (2) the applicant may furnish a bond acceptable to the board equal in the amount of the applicant's negative working capital or net worth plus the amount of such net worth and working capital to satisfy the requested bid limit. When an applicant's statement qualifies for an amount in excess of classification "E", the limits shall then be set as classification Unlimited or "U". The following letter symbols indicate the maximum amount bid limits allowed a licensee on any one single contract undertaking:

A - Not to exceed	\$100,000.00
B - Not to exceed	250,000.00
C - Not to exceed	500,000.00
D - Not to exceed	1,000,000.00
E - Not to exceed	3,000,000.00
U - Unlimited	

(b) Any person failing to pass the examination may be reexamined at any regular or called meeting of the board. The certificate of authority to engage in the business of general contracting in the State of Alabama shall expire 12 months following its issuance or renewal and shall become invalid on that date unless renewed. The board may provide for a transitional period following May 19, 1999, during which licenses may be renewed for less than 12 months, or more than 12 months, in order to implement a staggered license renewal schedule in which licenses would be renewed each month throughout the year. Once the transitional period is completed, each license shall be renewed for a 12-month period. The board may promulgate rules and regulations relating to the procedures for renewal of licenses. Upon the renewal of a license, the board shall reclassify or confirm the license both as to the types of work and bid limits as specified in this section. A licensee may apply for and, on proof satisfactory to the board, may receive an increase in the amount of his or her bid limit, change his or her classification, or verify his or her license with a reciprocating state for fees not greater than seventy-five dollars (\$75) as set by the board. Application for renewal of a license, together with the payment of a fee of two hundred dollars (\$200), received by the board at least 30 days prior to expiration, shall serve to extend the current license until the board either renews the license or denies the application. A licensee may apply for inactive status by notifying the board in writing at least 30 days before the expiration of his or her license. The fee for inactive status is two hundred dollars (\$200). The board shall provide by rule for the activities that may be engaged in by an inactive status licensee and for a procedure for reinstatement as an active license holder. At the discretion of the board, a limited license may be issued for a particular project.

(c) The sum or fee of three hundred dollars (\$300) accompanying original applications and sum or fee of two hundred dollars (\$200) accompanying applications for renewals under this section are for the administration and enforcement of this chapter and shall not be refunded to the applicant.

(Acts 1935, No. 297, p. 721, §9; Code 1940, T. 46, §73; Acts 1959, No. 571, p. 1429, §1; Acts 1961, Ex. Sess., No. 150, p. 2093, §1; Acts 1975, No. 485, p. 1115, §1; Acts 1982, No. 82-400, p. 603, §4; Acts 1986, No. 86-557, p. 1133, §3; Acts 1991, No. 91-197, p. 361, §3; Acts 1996, No. 96-640, p. 1013, §1; Act 99-199, p. 251, §3; Act 2008-134, p.199, §3; Act 2009-725, p.2168, §1; Act 2011-165, p. 308, §3.)