

RESIDENTIAL LICENSING LAW CHANGES



HB 1163 signed into law by Governor Tate Reeves resulted in modifications to the residential licensing laws. The new legislation requires all cities and counties to issue permits for construction work. The bill also amends current law to require a state issued license for construction managers and residential solar contractors as well as subcontractors performing HVAC, Electrical, Plumbing and/or Mechanical work on any residential construction or residential improvement project. It limits the “homeowner building their own dwelling” exemption to one (1) per calendar year instead of two (2). The current exemption allowing relatives to perform work for relatives of direct consanguinity will only be permitted if the property is not for sale, rent, public use or public assembly. The bill clarifies unlicensed contractors are allowed to receive payment only for actual expenses incurred, but no profit. Actual expenses must be proven by clear and convincing evidence. **The new law goes into effect July 1, 2022.**

A state issued license is required for improvements to an existing residence over \$10,000 and new residential construction over \$50,000. The following is a summary of residential classifications that require a state issued license:

Classification	Licensure Requirement Per Dollar Amount
Residential Builder	New residential construction projects exceeding \$50,000
Residential Remodeler	Residential improvement projects exceeding \$10,000
Residential Roofer	Residential roofing projects exceeding \$10,000
Residential Construction Manager	New residential construction over \$50,000 Residential improvement projects exceeding \$10,000
Residential Solar	Solar projects over \$10,000

Subcontractors performing work or within the following trade, on any residential construction, or residential improvement project, regardless of the dollar amount of the work performed.

Plumbing	HVAC
Electrical	Mechanical

Construction Manager classification cannot do commercial work. The Residential Builder classification is required.