Arkansas State Licensing Law for Contractors

17-25-101. Definition.

(a)(1) As used in this chapter, "contractor" means any person, firm, partnership, copartnership, association, corporation, or other organization, or any combination thereof, that for a fixed price, commission, fee, or wage, attempts to or submits a bid to construct or demolish, or contracts or undertakes to construct or demolish, or assumes charge, in a supervisory capacity or otherwise, or manages the construction, erection, alteration, demolition, or repair, or has or have constructed, erected, altered, demolished, or repaired, under his or her, their, or its direction, any building, apartment, condominium, highway, sewer, utility, grading, or any other improvement or structure on public or private property for lease, rent, resale, public access, or similar purpose, except single-family residences, when the cost of the work to be done, or done, in the State of Arkansas by the contractor, including, but not limited to, labor and materials, is fifty thousand dollars ($50,000) or more.

(2) However, when a person or entity acts as a contractor in the construction, erection, alteration, demolition, or repair of his or her own or its own property, such action shall not result in the person's or entity's being required to obtain a license, but the person or entity shall comply with all other provisions of this chapter.

(b) However, the fifty-thousand-dollar exception shall not apply to any project of construction in which any of the construction work necessary to complete the project, except any in-progress change orders, is divided into separate contracts of amounts less than fifty thousand dollars ($50,000), a purpose being to circumvent the provisions of this chapter.

(c) It is the intention of this definition to include all improvements, demolition, or structures, excepting only single-family residences.

(d)(1) Materials purchased by a prime contractor from a third party shall not be considered as part of the subcontractor's project if the prime contractor has the proper classification listed on a current contractor's license for the work being performed by the subcontractor.

(2) Materials purchased by a person or entity acting as a contractor in the construction, erection, alteration, or repair of his or her own or its own property from a third party shall not be considered as a part of the subcontractor's project, provided that the subcontract is for wood framing, shingle roofing, painting, floor covering, concrete labor or installation of playground equipment.

17-25-102. Exemptions.

The following shall be exempted from the provisions of this chapter:

(1) The practice of contracting as defined in § 17-25-101 by an authorized representative or representatives of the United States Government, State of Arkansas, incorporated town, city or county, or other political subdivision in this state;

(2) Architects and engineers, whose only financial interest in a project shall be the architectural or engineering fees for preparing plans, specifications, surveys, and supervision that is customarily furnished by architects and engineers; and

(3)(A) Manufacturers who produce equipment to be installed in the State of Arkansas and have the responsibility for the installation of the equipment, which would require a license under this chapter, if the installation is performed by a contractor properly licensed under this chapter.

(B) The Contractors Licensing Board shall have the authority to define "manufactures" as it is used in this subdivision (3).

17-25-103. Penalties - Enforcement.

(a) Any contractor shall be deemed guilty of a misdemeanor and shall be liable to a fine of not less than one hundred dollars ($100) nor more than two hundred dollars ($200) for each offense, with each day to constitute a separate offense, who:

(1)(A) For a fixed price, commission, fee, or wage, attempts to or submits a bid or bids to construct or demolish or contracts to construct or demolish, or undertakes to construct or demolish, or assumes charge in a supervisory capacity or otherwise, or manages the construction, erection, alteration, demolition, or repair of, or has constructed, erected, altered, demolished, or repaired, under his or her or its direction, any building, apartment, condominium, highway, sewer, utility, grading, or any other improvement or structure, when the cost of the work to be done, or done, in the State of Arkansas by the contractor, including, but not limited to, labor and materials, is fifty thousand dollars ($50,000) or more, without first having procured a license with the proper classification to engage in the business of contracting in this state;

(B) Subdivision (a)(1) of this section shall not apply to any demolition work or other work necessary to clean up a natural disaster within seventy-two (72) hours following the natural disaster;

(2) Shall present or file the license certificate of another;

(3) Shall give false or forged evidence of any kind to the Contractors Licensing Board or any member thereof in obtaining a certificate of license;

(4) Shall impersonate another; or

(5) Shall use an expired or revoked certificate of license.

(b) The doing of any act or thing herein prohibited by any applicant or licensee shall, in the discretion of the board, constitute sufficient grounds to refuse a license to an applicant or to revoke the license of a licensee.

(c) Regarding any violation of this chapter, the board shall have the power to issue subpoenas and bring before the board as a witness any person in the state and may require the witness to bring with him or her any book, writing, or other thing under his or her control which he or she is bound by law to produce in evidence.

(d) No action may be brought either at law or in equity to enforce any provision of any contract entered into in violation of this chapter. No action may be brought either at law or in equity for quantum meruit by any contractor in violation of this chapter.

(e)(1)(A) Any contractor who, after notice and hearing, is found by the board to have violated or used a contractor in violation of this chapter shall pay to the board a civil penalty of not less than one hundred dollars ($100) nor more than four hundred dollars ($400) per day for the activity. However, the penalty shall not exceed three percent (3%) of the total project being performed by the contractor.

(B)(i) The penalty provided for in this chapter plus interest at ten percent (10%) per annum shall be paid to the board before the contractor can be issued a license to engage in the business of contracting in this state.

(ii) In addition to the assessment of the penalty, the board, upon a finding of a violation of this chapter, may issue an order of abatement directing the contractor to cease all actions constituting a violation of this chapter.

(2) The board shall have the power to withhold approval for up to six (6) months of any application from any person who, prior to approval of the application, has been found in violation of this chapter.

(3) All hearings and appeals therefrom under this chapter shall be pursuant to the provisions of the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

(4) No proceedings under this chapter may be commenced by the board after three (3) years from the date on which the act or omission which is the basis for the proceeding occurred.

(5) The board shall have the power to file suit in the Pulaski County Circuit Court to obtain a judgment for the amount of any penalty not paid within thirty (30) days of service on the contractor of the order assessing the penalty, unless the circuit court enters a stay pursuant to the provisions of this chapter.

(6)(A) The board shall have the power to file suit in the Pulaski County Circuit Court to enforce any order of abatement not complied with within fifteen (15) days, excluding Saturdays, Sundays, and legal holidays, of service on the contractor of the order of abatement.

(B) If the circuit court finds the order of abatement to have been properly issued, it may enforce the order by any means by which injunctions are ordinarily enforced.

(C) However, nothing shall be construed herein to diminish the contractor's right to appeal and obtain a stay pursuant to the procedures provided for in this chapter.

17-25-104. Injunction.

When any contractor not licensed by the Contractors Licensing Board shall engage or attempt to engage in the business of contracting as herein defined, the board shall have the right to go into the proper court in the jurisdiction in which the work is being performed and, upon affidavit, secure a writ of injunction, without bond, restraining and prohibiting the contractor from performance of the work then being done or about to commence.

17-25-105. Form of indictment.

In all prosecutions for violations of the provisions of this chapter for engaging in the business of contracting without a certificate of authority, it shall be sufficient to allege in the indictment, affidavit, or complaint that "'A.' unlawfully engaged in business as a contractor, without authority from the Contractors Licensing Board, State of Arkansas, to do so."

17-25-106. [Repealed.].

17-25-201. Creation - Members.

(a) There is created a Contractors Licensing Board, consisting of seven (7) members, who shall be appointed by the Governor.

(b)(1) Each member shall be at least thirty-five (35) years of age and must have been a resident of the State of Arkansas for the previous five (5) years.

(2)(A) Five (5) members shall be contractors of not fewer than ten (10) years' experience in responsible charge of construction projects of a magnitude consistent with the duties of their offices. Each must hold an unexpired contractor's license issued under this chapter. Each must, at the time of appointment, maintain his or her principal place of business in Arkansas.

(B) At least one (1) member of the board shall have had as a larger part of his or her business the construction of sewers and waterworks.

(C) At least one (1) member of the board shall have had as a larger part of his or her business the construction of buildings.

(D) At least one (1) member of the board shall have had as a larger part of his or her business the construction of highways.

(3) Two (2) members of the board shall not be actively engaged in or retired from the profession of contracting. One (1) shall represent consumers, and one (1) shall be sixty (60) years of age or older and shall represent the elderly. Both shall be appointed from the state at large subject to confirmation by the Senate. The two (2) positions may not be held by the same person. Both shall be full voting members but shall not participate in the grading of examinations.

(c)(1) Members shall serve five-year terms.

(2) Terms shall expire on December 31 of the fifth year.

(3) Each member shall hold over after the expiration of his or her term until his or her successor shall be duly appointed and qualified.

(4) If a vacancy shall occur in the board for any cause, it shall be filled by appointment by the Governor.

(5) The Governor may remove any member of the board at any time for misconduct, incompetency, or neglect of duty.

(d) Each member of the board shall receive a certificate of appointment from the Governor and, before entering upon the discharge of the duties of his or her office, shall file with the Secretary of State the constitutional oath of office.

(e) Each member of the board may receive expense reimbursement and stipends in accordance with § 25-16-901 et seq.

17-25-202. Organization and functions.

(a) The Contractors Licensing Board shall elect a chair, vice chair, and secretary, each to serve in his or her respective capacity for one (1) year. Officers shall be elected by the board annually.

(b) The board shall have two (2) regular meetings in each year. One (1) meeting shall be in the month of February, and one (1) meeting shall be in the month of August, for the purpose of transacting such business as may properly come before it, on call of the chair of the Contractors Licensing Board.

(c) Special or adjourned meetings may be held at such times as the board may provide by the bylaws which it shall adopt, or at such times as the board may, by reasonable resolution, provide.

(d) Due notice of each meeting and the time and place thereof shall be given to each member in such manner as the bylaws shall provide.

(e) Three (3) members of the board shall constitute a quorum.

(f) The board shall adopt a seal for its own use and shall have on it the words, "Contractors Licensing Board, State of Arkansas, Seal", and the secretary shall have charge and custody of it.

17-25-203. Powers.

(a) The Contractors Licensing Board shall have power to make such bylaws and rules, for its operation as it shall consider appropriate, provided that they are not in conflict with the laws of the State of Arkansas.

(b) All expenses incurred by the board for the administration of this chapter are authorized to be paid by the board.

(c) The board, or any committee thereof, shall be entitled to the services of the Attorney General or other state legal counsel as deemed appropriate, in connection with the operation of the affairs of the board. Additional legal counsel may be employed by the board from time to time as it may deem necessary.

17-25-204. Employees.

The Contractors Licensing Board in consultation with the Secretary of the Department of Labor and Licensing may employ a chief administrative employee, also known as administrator, who shall possess such qualifications as may be determined by the Contractors Licensing Board and who shall serve at the pleasure of the board. In addition, the board may employ such additional professional and clerical employees as may be necessary for the operation of the board and its various functions and pay salaries thereto as may be authorized by law.

17-25-205. Disposition of funds.

The fees of the Contractors Licensing Board shall be deposited in banks to be used by the board in the manner prescribed by law, similar to the accounts of other examining and licensing boards of the state, and shall be audited under rules prescribed by the Secretary of the Department of Finance and Administration.

17-25-206. Records and reports.

(a) The secretary of the Contractors Licensing Board shall keep a record of the proceedings of the Contractors Licensing Board.

(b) The secretary shall keep a register of all applications for license showing for each:

(1) The date of application, name, qualification, place of business, and place of residence;

(2) Whether the license was granted or refused; and

(3) A complete transcript of the proceedings, including evidence submitted by applicants, licensees, the board, or otherwise, at any hearing.

(c) The books and register of this board, including transcripts of proceedings, shall be prima facie evidence of all matters recorded therein. A certified copy of such books or register, including a transcript of proceedings, under the seal of the board and attested by its secretary, shall be received in evidence in all courts of the state in lieu of the original.

(d) A roster showing the names and places of business and of residence of all licensed contractors shall be prepared annually by the secretary of the board.

(e) On or before August 1 of each year, the board shall submit to the Secretary of the Department of Labor and Licensing a report of its transactions for the preceding year and shall file with the Secretary of State a copy of the report, together with a complete statement of receipts and expenditures of the board attested by the affidavit of the Chair of the

Contractors Licensing Board and Secretary of the Contractors Licensing Board and a copy of the roster of licensed contractors.

(f) A record shall be made and preserved by the board of each examination of applicant or licensee. The findings of the board thereon and a certified copy of the record shall be furnished to any applicant or licensee desiring to appeal from the findings of the board, as provided in § 17-25-312, upon payment of the costs of transcribing the record.

17-25-301. Significance - Proof.

(a) The issuance of a certificate of license by the Contractors Licensing Board shall be evidence that the person, firm, or corporation named therein is entitled to all of the rights and privileges of a licensed contractor while the license remains unrevoked or unexpired.

(b)(1) Upon making application to the building inspector or other authority of any incorporated city or town in Arkansas charged with the duty of issuing building or other permits for the construction of any building, apartment, condominium, utility, highway, sewer, grading, or any other improvement or structure, when the cost of the work to be done by the contractor, but not limited to labor and materials, is fifty thousand dollars ($50,000) or more, any person, firm, or corporation, before being entitled to the issuance of such permits, shall furnish satisfactory proof to the inspector or authority that he or she is duly licensed under the terms of this chapter.

(2) It shall be unlawful for the building inspector or other authority to issue or allow the issuance of a building permit unless and until the applicant has furnished evidence that he or she is either exempt from the provisions of this chapter or is duly licensed under this chapter to carry out or superintend the work for which the permit has been applied.

17-25-302. Limitations.

The Contractors Licensing Board shall have power to limit by proper classification the license to the character of work for which the applicant is qualified.

17-25-303. Application - Renewal - Fees.

(a)(1)(A) Any person desiring to be licensed as a contractor in this state shall make and file with the Contractors Licensing Board thirty (30) days prior to any regular or special meeting thereof, a written application on a form as may then be prescribed by the board, for examination by the board.

(B) The application shall be accompanied by payment in a sum to be determined by the board, but not to exceed one hundred dollars ($100) to the board.

(2) The thirty (30) day requirement may be waived by the board provided that the contractor has on file with the board a completed original application and proof of having successfully completed any examination required.

(b) Thereafter, an annual renewal license fee to be determined by the board but not to exceed one hundred dollars ($100) shall be paid by each licensee to defray the costs and expenses of the administration of this chapter.

17-25-304. Financial statement.

(a)(1) All persons and entities required by this chapter to be license by the Contractors Licensing Board shall transmit to the board with their original and renewal applications a financial statement of the applicant reviewed by a licensed certified public accountant or licensed public accountant in accordance with the American Institute of Certified Public Accountants Statements on Standards for Accounting and Review Services.

(2) However, if the total cost of the work to be completed by the applicant, including without limitation labor and materials, is less than seven hundred fifty thousand dollars ($750,000) for a single project, the applicant shall transmit to the board with his or her original and renewal applications a compiled financial statement of the applicant prepared by a licensed certified public accountant or licensed public accountant in accordance with the American Institute of Certified Public Accountants Statements on Standards for Accounting and Review Services.

(b)(1) The financial statement shall not be made public information and shall not be made available for inspection by any person, except pursuant to an order of a court of competent jurisdiction.

(2) After the contractor is licensed, the board has the option of:

(A) Destroying the financial statement by the process of shredding or

(B) Returning the financial statement to the contractor.

17-25-305. Applicant qualifications.

(a) The Contractors Licensing Board, in determining the qualifications of any applicant for an original license or any renewal license, shall, among other things, consider the following:

(1) Experience;
(2) Ability;
(3) The manner of performance of previous contracts;
(4) Financial condition;
(5) Equipment;
(6) Any other fact tending to show ability and willingness to conserve the public health and safety; and
(7) Default in complying with the provisions of this chapter or another law of the state.

(b) The board may develop reciprocal agreements with other states with similar licensing responsibilities.

(c) In addition to the offenses listed in § 17-2-102, the board may consider the following offenses when determining fitness for licensure or registration of a contractor under this chapter:

(1) Conviction of a crime with an element of dishonesty or fraud under the laws of this state, another state, or the United States;

(2) Conviction of voyeurism as prohibited in § 5-16-101 and § 5-16-102;

(3) Conviction under the Arkansas Hot Check Law, § 5-37-301 et seq. and;

(4)(A) A crime or act that is substantially related to the qualifications, functions, or duties of a contractor.

(B) A crime or act may be deemed substantially related to the qualifications, functions, or duties of a subcontractor if, to a substantial degree, the crime or act evidences present or potential unfitness of a person applying for or holding a contractors license or registration to perform the functions authorized by the license or registration.

17-25-306. Examinations - Certification.

(a) Any person desiring to apply for a license shall be permitted to take an examination to determine the applicant's qualifications.

(b) If the result of the examination of any applicant shall be satisfactory to the Contractors Licensing Board, and if the application complies with the board's rules, then the board shall issue to the applicant a certificate to engage in contracting in the State of Arkansas.

(c) Anyone failing to pass the examination may be reexamined at any regular meeting of the board upon payment of the regular fee.

17-25-307. Expiration.

All certificates of license to engage in the business of contracting in the State of Arkansas shall expire at 12:00 midnight on the day before the anniversary date of their issuance unless otherwise designated by the Contractors Licensing Board, and they shall become invalid on that day unless renewed.

17-25-308. Grounds for revocation.

(a) The Contractors Licensing Board may revoke the certificate of license of any contractor licensed under this chapter who is found guilty of any fraud or deceit in obtaining a license or for aiding or abetting any contractor or person to violate the provisions of this chapter or for gross negligence, incompetence, or misconduct in the conduct of the contractor's business.

(b) The board may revoke the certificate of license of a contractor licensed under this chapter who fails to obtain or maintain worker's compensation covered as required under the Workers' Compensation Law, § 11-9-101 et seq., and § 17-25-514.

17-25-309. Procedure for revocation - Reissuance.

(a) Any person may prefer charges in connection with the foregoing against any contractor licensed under this chapter.

(b) The charges shall be in writing and sworn to by the complainant and mailed to the Contractors Licensing Board and, unless dismissed without hearing by the board as unfounded or trivial, shall be heard and determined by the board.

(c) A time and place for the hearing shall be fixed by the board and held in the State of Arkansas.

(d) A copy of the charges, together with the notice of the time and place of hearing, shall be considered as legally served by the board when sent to the last known address of the accused by certified mail at least ten (10) days before the date fixed for the hearing. In the event that such service cannot be effected ten (10) days before the hearing, then the date of hearing and determination shall be postponed as may be necessary to permit the carrying out of this condition.

(e) At the hearing the accused contractor shall have the right to appear personally and by counsel and to cross-examine witnesses and to submit evidence in the contractor's behalf and defense.

(f) If after the hearing the board finds the facts as alleged and of such character as to disqualify the contractor, then the board shall revoke the license of the contractor, but in that event no refund shall be made of the license fee.

(g) Within its discretion and upon proper application or hearing, the board may reissue a license to any contractor whose license has been revoked.

17-25-310. Replacement.

A certificate of license to replace any lost, destroyed, or mutilated certificate may be issued subject to the rules of the Contractors Licensing Board.

17-25-311. Corporations and partnerships - Unlawful acts.

(a) A corporation or partnership may engage in the business of contracting when licensed by the Contractors Licensing Board.

(b) It shall be unlawful and a violation of this chapter for any two (2) or more contractors, whether doing business as individuals, partnerships, corporations, or other organizations, to jointly submit a bid or enter into a contract for construction as a joint venture unless all parties to the joint venture are licensed pursuant to this chapter.

(c) Any combination of contractors other than a joint venture shall obtain a license for the combination prior to submitting a bid.

17-25-312. Review.

Any party aggrieved by any decision of the Contractors Licensing Board shall have the right to seek review thereof pursuant to the provisions of the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

17-25-313. License requirements to accompany invitation to bid.

All architects and engineers preparing plans and specifications for work to be contracted in the State of Arkansas shall include in their invitation to bidders and in their specifications a copy of this chapter or such portions thereof as are deemed necessary to convey to the invited bidder, whether he or she is a resident of this state or not, the information that it will be necessary for him or her to have a certificate of license with the proper classification from this Contractors Licensing Board before his or her bid is submitted.

17-25-314. [Repealed.]

17-25-315. Rules and regulations - Federally funded projects-Contractor qualifications.

(a)(1) The Contractors Licensing Board shall have the power to promulgate rules for the efficient enforcement of this chapter and shall also have the power to assign the right or give permission to any state agency, board, or commission to determine qualifications of a contractor solely for the purpose of submitting a bid to the state agency, board, or commission on projects involving federal aid funds prior to the contractor's being licensed by the board.

(2) No state agency, board, or commission shall execute any construction contract involving federal aid funds unless and until the successful bidder for the project furnishes a certificate of license issued by the board.

(b)(1) The board shall have the power to provide by rule for any political subdivision or other political corporation to accept bids from unlicensed contractors for projects involving federal funds.

(2) However, no contractor shall submit a bid under this section prior to submitting application for licensure, and no political subdivision or political corporation shall execute any construction contract unless and until the successful bidder for the project furnishes an appropriate license issued by the board.

17-25-316. Workers' compensation coverage required.

(a) A contractor required to be licensed by the Contractors Licensing Board shall obtain and maintain workers' compensation coverage as required under the Workers' Compensation Law, § 11-9-101 et seq.

(b) The board shall require proof of current workers' compensation coverage before issuing or renewing a license to a contractor required to have workers' compensation coverage under § 11-9-101 et seq.

(c)(1) If a contractor fails to maintain workers' compensation coverage or fails to maintain proof of current workers' compensation coverage on file with the board, the board may revoke or suspend the contractor's license.

(2) A contractor's license that has been revoked or suspended due to failure to maintain workers' compensation coverage may be reinstated upon receipt by the board of proof that the contractor has secured workers' compensation coverage.

(d) The board shall promulgate rules necessary to enforce this section.

Arkansas Contractors Bond Law

17-25-401. Definition.

(a)(1) As used in this subchapter, "contractor" means a person, firm, joint venture, partnership, copartnership, association, corporation, or other organization engaged in the business of the construction, alteration, dismantling, demolition, or repairing of roads, bridges, viaducts, sewers, water and gas mains, streets, disposal plants, water filters, tanks, towers, airports, buildings, dams, levees, canals, railways and rail facilities, oil and gas wells, water wells, pipelines, refineries, industrial or processing plants, chemical plants, power plants, electric, telephone, or any other type of energy or message transmission lines or equipment, or any other kind of improvement or structure.

(2) The term "contractor" includes

(A) All original, prime, and general contractors and all subcontractors; and

(B) A contractor who is required to obtain a contractor's license under the state licensing law of this state, § 17-25-101 et seq.

(b) However, when a person or entity acts as a contractor in the construction, erection, alteration, or repair of his or her own or its own property or of a single-family residence, or if the cost of the work to be done, including, but not limited to, labor and materials, is less than fifty thousand dollars ($50,000), the person or entity shall not be deemed a contractor under this chapter.

17-25-402. Expenses - Disposition of funds.

(a) All expenses incurred by the Contractors Licensing Board for the administration of this subchapter are authorized to be paid by the board.

(b)(1) All taxes, premiums, contributions, penalties, interest, and fines collected pursuant to this subchapter, except enforcement penalties, shall be distributed pro rata, based upon the amount of taxes, premiums, and contributions due to the Department of Finance and Administration, the Division of Workforce Services, the Workers' Compensation Commission, or any city, county, or school district, or any other state agency or other political subdivision of the state, first to the extent of any taxes, premiums, and contributions due with any remainder applied to interest, penalties, and fines, in that order.

(2) All enforcement penalties assessed to a contractor pursuant to the provisions of this subchapter shall be paid directly to the board to defer the cost of enforcement.

(c) The board may employ such additional professional and clerical employees as may be necessary and pay salaries thereto as authorized by law.

17-25-403. Liability of customer.

(a)(1) In the event the contractor fails to honor its financial obligations to the State of Arkansas or to any city, county, school district, state agency, or other political subdivision of the state, the customer for whom the work was being performed shall be responsible for all financial obligations of the contractor to the State of Arkansas or to any city, county, school district, state agency, or other political subdivision of the state, on that customer's project, provided that the customer receives written notice of the contractor's failure to comply with this subchapter prior to final payment to the contractor.

(2) The responsibility of the customer shall not exceed any amount owed to the contractor on or after the date the customer receives the written notice.

(3) The written notice shall be sent by certified mail, return receipt requested, and must include the maximum amount of any and all financial obligations the contractor may potentially owe to the State of Arkansas or to any city, county, school district, state agency, or other political subdivision of the state, arising from that customer's project.

(b)(1) As used in this section, "financial obligations" include, but are not limited to, civil penalties imposed by the State of Arkansas or any city, county, school district, state agency, or other political subdivision of the state.

(2) Civil penalties imposed pursuant to §§ 17-25-103(e)(1)(A) and 17-25-408 for violations of the provisions of this chapter arise from and are connected to the customer's project and the provisions of this section apply thereto.

17-25-404. Bond - Filing - Terms.

(a)(1) Before commencing work or undertaking to perform any services or duties in the state, a contractor shall file with the Contractors Licensing Board as the depository agency a surety bond of a surety authorized to do business in this state or a cash bond.

(2) The bond shall be a condition of licensure and a contractor's license shall not be released until the bond has been properly filed.

(b) The bond shall be:

(1) In a penal sum of ten thousand dollars ($10,000.00);

(2) Payable to the State of Arkansas; and

(3) Conditioned on the contractor's complying with the tax laws of the State of Arkansas, and when applicable, the ordinances, rules, and regulations of any city, county, school district, state agency, or other political subdivision of the state, the Division of Workforce Services Law, § 11-10-101 et seq., the Workers' Compensation Law, § 11-9-101 et seq., and the provisions of this subchapter.

17-25-405. [Repealed.]

17-25-406. Notice of bond cancellation.

(a)(1) Notice of bond cancellation shall be given to the Contractors Licensing Board in writing sixty (60) days prior to cancellation. The board shall notify the Department of Finance and Administration, the Division of Workforce Services, and the Workers' Compensation Commission of the notice of cancellation.

(2) It shall be the responsibility of each governmental agency to make any claims against the bond in accordance with state law for collection of any taxes, premiums, contributions, penalties, interest, or fines within the statute of limitations of the appropriate state law.

(b) A contractor's license that has become invalid due to bond cancellation may be reinstated upon receipt of a proper replacement bond.

17-25-407. [Repealed.]

17-25-408. Failure to comply - Penalties - Enforcement.

(a) The fact that a contractor is performing or has performed work in Arkansas and compliance as required by this subchapter has not been met shall constitute prima facie evidence of failure to comply.

(b) Upon notice to the contractor and a hearing thereon, if requested by the contractor or if deemed appropriate by the Contractors Licensing Board or any committee thereof, should it be determined that a violation exists, the board or committee may assess a penalty for noncompliance in a sum not to exceed five percent (5%) of the value of the contract performed, and upon a finding of a second or subsequent violation, the contractor may be assessed a penalty equal to ten percent (10%) of the value of the contract performed. Further, any contractor found in violation for a second or subsequent violation of this subchapter may lose its contractor's license for a period of one (1) year. The board or committee may also issue an order to cease and desist the work pending compliance.

(c) Failure of a contractor to comply with the provisions of this subchapter shall be grounds for revocation of any license issued to the contractor by the board.

(d) Enforcement of the bond filing requirements contained herein shall be the responsibility of the board.

(e) The board shall have the power to make such rules for enforcement as it may consider appropriate and not in conflict with Arkansas law.

17-25-409. Proceedings upon violation.

(a) Regarding any violation of this subchapter, the Contractors Licensing Board shall have the power to issue subpoenas and bring before the board as a witness any person in the state and may require the witness to bring with him or her any book, writing, or other thing under his or her control which he or she is bound by law to produce in evidence.

(b) No proceedings under this section may be commenced by the board after three (3) years from the date on which the act or omission which is the basis for the proceeding occurred.

(c) The board shall have the power to file suit in the Pulaski County Circuit Court to enforce any cease and desist order not complied with within fifteen (15) days, excluding Saturdays, Sundays, and legal holidays, of service on the contractor of the order. If the circuit court finds the order to have been properly issued, it may enforce it by any means by which injunctions are ordinarily enforced. However, nothing shall be construed herein to diminish the contractor's right to appeal.

(d) All hearings and appeals therefrom under this section shall be pursuant to the provisions of the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

The Rules of the Contractors Licensing and Bond Law

224-25-1 ISSUANCE OF LICENSE

(a) All Contractors licenses will be issued under the name and address listed on the front of the application form. The use of any other name may constitute a violation. It is the responsibility of the contractor to inform the Contractors Licensing Board in writing of any name, address, ownership or any other change relating to said license within 15 days of such change.

(b) All applications for a Contractors license in the State of Arkansas must be filed as either: (1) individual, (2) partnership, (3) corporation, (4) limited liability company or (5) any other business organization recognized by the Arkansas Secretary of State's Office. Each application must be supported by a qualifying party, who has satisfactorily completed such examination as may be required by the Board, prior to being issued a license to engage in contracting in the State of Arkansas. Anyone failing to pass such examination may be re-examined at any regular examination period, upon payment of proper fee. Should the qualifying party (business and law or trade) leave a licensed entity, written notice shall be given within fifteen (15) days to the Contractors Licensing Board. The notice shall state the name and position of the individual leaving and the name and position of the individual who will replace the departing qualifier. The replacement qualifier must be fully qualified within thirty (30) days of the departure of the previous qualifier. Any license not renewed within two years of expiration shall be required to re-qualify by examination process, as may be required at the time.

(c) If a license has been expired for two (2) years or more, the applicant must submit a new application. Applicants who have previously held a contractors license in good standing shall not be required to submit proof of appropriate experience if seeking the same classification previously held.

224-25-2 LICENSE EXPIRATION & RENEWAL

(a) Expiration. All licenses to engage in the business of contracting in the State of Arkansas shall expire at midnight of the date of its expiration. However, a license held by an active duty service person, or their spouse, who is on deployment outside the State of Arkansas shall not expire until 180 days following their return to the State.

(b) Renewal.

(1) Renewal notices will be mailed approximately 60 days prior to the expiration of a license. However, it shall be the responsibility of the holder of the Contractors License to renew said license. Failure to receive a renewal notice shall not excuse the failure to timely renew. A renewal application will be considered timely filed if received by the Board by the expiration date.

(2) Renewal applications received by the Board prior to the expiration date of the license shall be accompanied by a renewal fee of $50.00 and the licensee may continue to use the license until the next meeting of the Board following the expiration date of the license.

(3) Renewal applications received within thirty (30) days of the expiration of the license shall be accompanied by a $100.00 renewal fee. UPON THE RECEIPT OF THE APPLICATION the license shall be deemed to be reinstated until the Board has met and acted upon the renewal. The reinstatement of a license **does not** reinstate the license for the time period between the expiration of the license and the receipt of the application by the Board.

(4) Any renewal application received more than thirty (30) days after the expiration of the license shall be accompanied by a $100.00 fee and may be reviewed by the Board at its next available meeting. The applicant shall not have a valid license until said application is approved by the Board. A license may be renewed up until two (2) years after its expiration date. Any license expired two (2) years or more may apply for reinstatement.

(5) Any renewal application not meeting the requirements of the Board at its' initial review, but being placed in an "improve status" will constitute an extension of the existing license until the next available board meeting, at which time the license will expire if a new license is not issued unless it is again placed in "improve" status.

224-25-3 LICENSE APPLICATIONS

Any application not complete within ninety (90) days after original receipt in our office will become invalid. Any application not passing the Board's review will be considered invalid after ninety (90) days from the date of its original review. During the ninety (90) day period the applicant may have the opportunity to make corrections or improvements needed in the application in order to warrant the issuance of a license. After an application becomes invalid a new application and fee must be submitted for consideration to obtain a Contractors License.

224-25-4 INACTIVE STATUS

A contractor who is licensed may choose to become inactive in the State of Arkansas at the time of any renewal. A contractor who is inactive may not bid on any contract nor perform any work for which a licensed contractor is required. A contractor who elects inactive status must pay all renewal fees, but is not required to submit financial information to the Board. A contractor who is on inactive status may reactivate its license by making a request to the Board and providing the financial information required to renew as an active contractor. Active duty service people who hold licenses are allowed additional time in inactive status if deployed outside the State of Arkansas. However, they must request additional time within 180 days of returning to the State.

224-25-5 CLASSIFICATION & EXPERIENCE

(a) A contractor may be licensed in any or all classifications. A contractor licensed as: Heavy Construction (HC), Highway, Railroad & Airport Construction (HRA), Municipal & Utility Construction (MU), Building (B), Light Building (LB), Mechanical (M) or Electrical (E) is authorized to perform any of the "specialties" associated with the classification in question. A contractor licensed as a Specialty (S) is authorized to only perform the functions of the specific specialty for which a license is held. It is the responsibility of the applicant for a classification or a specific specialty to show appropriate experience and qualifications in each classification requested and demonstrate the ability to perform said classification.

(b) All applications for new and renewal of license with a classification of Heavy Construction (HC), Highway, Railroad & Airport (HRA), Municipal & Utility Construction (MU), Building (B), Light Building (LB), Mechanical (M), or Electrical (E) must show a minimum of five (5) years appropriate experience. All applications for new and renewal of license with a specialty classification must show a minimum of one (1) year appropriate experience.

Note: *Past work experience and ability to perform work in the classification requested must be shown*

(c) A contractor holding the classification(s) of Heavy Construction (HC), Highway, Railroad & Airport Construction (HRA), Municipal & Utility Construction (MU), Building (B) or Light Building (LB) is considered to be a General Contractor in its respective market. A General Contractor may perform Construction Management in its respective market. All other classifications are considered to be subcontractors. A contractor considered to be a General Contractor shall maintain proper personnel, financial ability and facility to perform for the owner coordination, development and management expertise for the entire project.

(d) A contractor holding an Electrical classification must maintain expertise, proper facility, financial ability and at least 1 full time employee holding a Master Electrician's license (issued by the Arkansas Board of Electrical Examiners) to assure proper skills in performing and maintaining electrical projects.

(e) A contractor holding a Mechanical classification must maintain expertise, proper facility, financial ability and at least 1 full time employee holding a Master Plumbers license (issued by the Bureau of Environmental Health Service - Plumbing Section) and at least 1 full time employee holding a class A or B HVACR license issued by the Arkansas HVACR Board to assure proper skills in performing and maintaining mechanical projects.

(f) A contractor holding a Specialty plumbing classification must maintain expertise, proper facility, financial ability and at least 1 full time employee holding a Master Plumbers license (issued by the Bureau of Environmental Health Service - Plumbing Section) to assure proper skills in performing and maintaining plumbing projects.

(g) A contractor holding a HVACR classification must maintain expertise, proper facility, financial ability and at least 1 full time employee holding a class A or B HVACR license issued by the Arkansas HVACR Board to assure proper skills in performing and maintaining HVACR projects.

(h) Any contractor holding a specialty classification for which a license or permit is required by another licensing or permitting authority, must hold the necessary license or permit in order to receive a license from the Board.

(i) CLASSIFICATIONS AND SPECIALTIES – A contractor holding a classification may perform any of the functions listed under that classification. Performing work not listed under that classification may constitute a violation.

OUTLINE OF CLASSIFICATIONS

HEAVY CONSTRUCTION
This Classification Includes All Of The Specialty Classes Below:

Boring
Cofferdams, Dikes, Levees, & Canals
Dams
Marine (Includes - Wharves, Docks, Harbor Improvements, Terminals)
Mining (Includes Surface & Underground Mining)
Oil & Gas Field Construction
Oil Refinery, Power & Energy Plant Construction
- a. Steel, Alloy, Ornamental, Metal Fabrication, Welding
- b. Tower & Stack Construction
- c. Foundation Construction or Drilling, Pile Driving, Stabilization
- d. Concrete
- e. Conveyors, Material Handling Systems, Cranes, Hoists
- f. Base & Paving
  1. Base Construction
  2. Hot & Cold Mixes
  3. Surface Treatment
  4. Asphalt
  5. Concrete Paving
- g. Grading & Drainage (Includes Grading, Drainage, Pipe & Structures, Clearing, Grubbing & Rip Rap), Excavation
- h. Piping, Process Piping, Valve Repair, Underground Piping, Cable, Trenching

Tunnels, Shafts
Underground Piping, Cable, Trenching

HIGHWAY, RAILROAD, AIRPORT CONSTRUCTION
This Classification Includes All Of The Specialty Classes Below:

Base & Paving
- a. Base Construction
- b. Hot & Cold Mixes
- c. Surface Treatment
- d. Asphalt
- e. Concrete Paving

Bridges & Culverts
- a. Painting
- b. Repair

c. Bridge Deck Overlay (Sealant)

Cofferdams, Dikes, Levees, Canals

Concrete

Erosion Control

Foundation Construction or Drilling, Pile Driving, Stabilization

Grading & Drainage (Includes Grading, Drainage, Pipe & Structures, Clearing, Grubbing & Rip Rap), Excavation

Gunite

HRA Miscellaneous & Specialty Items

a. Traffic Safety
    1. Pavement Markers
    2. Signaling
    3. Guardrail & Fending
    4. Attentuators, Signalization & Roadway Lighting

b. Landscaping
    1. Seeding
    2. Sodding
    3. Chemical Weed & Brush Control

c. Miscellaneous Concrete
    1. Sidewalks
    2. Driveways
    3. Curb & Gutter
    4. Box Culverts

d. Pavement Rehabilitation
    1. Pressure Grouting
    2. Grinding & Grooving
    3. Concrete Joints
    4. Underdrains

Railroad Construction & Related Items

Steel, Alloy, Ornamental, Metal Fabrication, Welding

Tower & Stack Construction

MUNICIPAL AND UTILITY CONSTRUCTION
This Classification Includes All of The Specialty Classes Below

Base & Paving

a. Base Construction
b. Hot & Cold Mixes
c. Surface Treatment
d. Asphalt
e. Concrete Paving

Grading & Drainage (Includes Grading, Drainage, Pipe & Structures, Clearing, Grubbing & Rip Rap), Excavation

HRA Miscellaneous & Specialty Items

a. Traffic Safety
    1. Pavement Markers
    2. Signaling
    3. Guardrail & Fencing
    4. Attenuators, Signalization & Roadway Lighting

b. Landscaping
    1. Seeding
    2. Sodding
    3. Chemical Weed & Brush Control
c. Pavement Rehabilitation
    1. Pressure Grouting
    2. Grinding & Grooving
    3. Concrete Joints
    4. Underdrains
d. Miscellaneous Concrete
    1. Sidewalks
    2. Driveways
    3. Curb & Gutter
    4. Box Culverts

Underground Piping, Cable, Trenching, Boring
Water Lines Associated with Fire Protection
Water and Sewer Lines
Water & Sewer Plants & Sewer Disposal

a. Steel, Alloy, Ornamental, Metal Fabrication, Welding
b. Tower & Stack Construction
c. Foundation Construction or Drilling, Pile Driving, Stabilization
d. Concrete
e. Conveyors, Material Handling Systems, Cranes, Hoists
f. Erosion Control
g. Painting
h. Carpentry, Framing, Millwork, Cabinets
i. Lift Stations, Pumps
j. Above Ground Tanks
k. Roofing & Roof Decks
l. Pipes, Process Piping, Valve Repair
m. Insulation
n. Dredging
o. Masonry

Waterwells

BUILDING
This Classification Includes All Of The Specialty Classes Below:

Awnings, Canopies
Base & Paving

a. Base Construction
b. Hot & Cold Mixes
c. Surface Treatment
d. Asphalt
e. Concrete Paving

Blinds, Curtains, Draperies, Theatrical
Bulk Storage Facilities
Carpentry, Framing, Millwork, Cabinets
Car Washes

Ceilings, Wall Systems, Acoustical Treatments
Chimneys, Fireplaces
Concrete
Control Towers
Conveyors, Material Handling Systems, Cranes, Hoists
Demolition, Blasting
Drywall
Erosion Control
Fencing, Gates
Floors, Floor Coverings
Foundation Construction or Drilling, Pile Driving, Stabilization
Furniture, Recreational and/or Playground Equipment, Bleachers, Seating, Partitions
Glass, Glazing, Doors, Windows, Hardware, Storefronts
Golf Cart & Foot Bridges & Paths
Golf Courses
Grading & Drainage (Includes Grading, Drainage, Pipe & Structures, Clearing, Grubbing & Rip Rap), Excavation
Greenhouses
HRA Miscellaneous & Specialty Items

a. Traffic Safety
    1. Pavement Markers
    2. Signaling
    3. Guardrail & Fencing
    4. Attenuators, Signalization & Roadway Lighting
b. Landscaping
    1. Seeding
    2. Sodding
    3. Chemical Weed & Brush control
c. Pavement Rehabilitation
    1. Pressure Grouting
    2. Grinding & Grooving
    3. Concrete Joints
    4. Underdrains
d. Miscellaneous Concrete
    1. Sidewalks
    2. Driveways
    3. Curb & Gutter
    4. Box Culverts

Indoor/Outdoor Advertising
Institutional & Kitchen Equipment
Insulation
Interior Work
Landscaping, Irrigation, Lawn Sprinkler Systems, Streams
Lathe, Plaster, Stucco, Dryvit, EIFS
Lightning Protection
Masonry
Mausoleums
Medical Shielded Enclosures
Metal Buildings, Detached Structures, Storage Buildings

Metal Studs, Walls
Microwave Systems, Towers, Satellite Dishes
Overhead Doors & Dock Equipment
Paint Booths
Painting, Wall Covering
Passenger Boarding Bridges
Poultry & Swine Houses
Remodeling, Renovations, Restoration, Alterations
Retaining Walls
Roofs, Roof Decks. Roofing Sheet Metal
Sandblasting, Hydroblasting, Dry Ice Blasting
Siding, Soffit, Facia,Gutters
Skylights
Solar Systems
Special Coatings or Applications, Caulking, Waterproofing
Sport & Recreational Surfaces
Stack Construction
Steel, Alloy, Ornamental, Metal Fabrication, Welding
Storm Shelters
Substations
Swimming Pools, Spas
Tile, Terrazzo, Marble, Countertops

LIGHT BUILDING
This Classification Includes All Of The Specialty Classes That Are Listed Under The Building Classification. However, Contractors Holding A Light Building Classification Are Limited As Follows:

Light Building construction is new construction of commercial projects for which the cost of materials and labor is less than Seven Hundred Fifty Thousand Dollars ($750,000) in any project and the structure does not exceed two stories in height.

MECHANICAL CONTRACTING
This Classification Includes All Of The Specialty Classes Below:

NOTE: Trade Licenses required to obtain this classification are:
a. Arkansas Master Plumber
b. Arkansas Class A or B HVACR.

Boiler Construction & Repair (Trade License Needed)
Control Systems & Instrumentation
Heating, Ventilation, Air Conditioning, Refrigeration
Plumbing
Pneumatic Tube Systems
Pollution, Air or Dust Control, Blower or Exhaust Systems
Piping, Process Piping, Valve Repair
Sheet Metal, Duct
Sprinklers, Fire Protection (Trade Certificate Needed)
Temperature Controls (Pneumatic)

ELECTRICAL CONTRACTING
This Classification Includes All Of The Specialty Classes Below:

NOTE: Trade License required to obtain this classification is:
a. Arkansas Master Electrician.

Cable Television Lines (Above and Below Ground)
Communication, Computer or Sound Systems, Cabling
Communication Lines & Ducts
Control Systems & Instrumentation
Electrical Signs
Electrical Temperature Controls Systems
Electrical Transmission Lines
Electrical Work for Buildings & Structures
Underground Conduit Installation
Signal or Burglar Alarms, Fire Detection & Monitoring Systems
Substations

SPECIALTIES (Specific)
A Contractor May Obtain Any Sub-Classification As A Specialty By Request And Proper Qualifications Shown. (Example: Base & Paving, Plumbing, Drywall, Insulation, etc.) The List Of Sub-Classifications Is:

SPECIALTIES

Above Ground Tanks
Asbestos (Trade Certificate Needed)
Awnings, Canopies & Gutters
Base & Paving
- a. Base Construction
- b. Hot & Cold Mixes
- c. Surface Treatment
- d. Asphalt
- e. Concrete Paving

Blinds, Curtains, Draperies, Theatrical
Boat Docks
Boiler Construction & Repair (Trade License Needed)
Bulk Storage Facilities
Cable Television Lines (Above & Below Ground)
Car Washes
Carpentry, Framing, Millwork, Cabinets
Ceilings, Wall Systems, Acoustical Treatments
Chemical Resistant Tile & Brick
Chimneys, Fireplaces
Cofferdams, Dikes, Levees, Canals
Communication, Computer or Sound Systems, Cabling
Concrete
Control Systems & Instrumentation
Conveyors, Material Handling Systems, Cranes, Hoists
Cooling Towers
Demolition, Blasting

Dredging
Drywall
Electrical Transmission Lines
Elevators, Escalators, Dumbwaiters, Chairlifts (Trade Certificate Needed)
Energy & Chemical Pipelines
Energy Management, Retrofit Systems
Environmental General
Erosion Control
Factory Trained Medical Equipment Technician (exemption from Electrical Board required)
Fencing, Gates
Fiberglass
Fireproofing
Floors, Floor Covering
Foundation Construction or Drilling, Pile Driving, Stabilization
Furnaces, Fuel Burning or Heat Transfer Equipment, Stokers, Refractories
Furniture, Recreational and/or Playground Equipment, Bleachers, Seating, Partitions
Gas Fitter (Trade License needed)
Generators, Turbines
Glass, Glazing, Doors, Windows, Hardware, Storefront
Golf Cart & Foot Bridges & Paths
Golf Courses
Grading & Drainage (Includes Grading, Drainage, Pipe & Structures, Culverts, Clearing, Grubbing & Rip Rap), Excavation
Grain Bins
Greenhouses
Heating, Ventilation, Air Conditioning, Refrigeration (Arkansas HVACR class A or B Trade License Required)
HRA Miscellaneous & Specialty Items
    a. Traffic Safety
        1. Pavement Markers
        2. Signaling
        3. Guardrails & Fencing
        4. Attenuators, Signalization & Roadway Lighting
    b. Landscaping
        1. Seeding
        2. Sodding
        3. Chemical weed & brush control
    c. Pavement Rehabilitation
        1. Pressure grouting
        2. Grinding & grooving
        3. Concrete joints
        4. Underdrains
    d. Miscellaneous Concrete
        1. Sidewalks
        2. Driveways
        3. Curb & gutter
        4. Box culverts
Hydraulics

Incinerator & Stack Construction
Indoor/Outdoor Advertising
Institutional & Kitchen Equipment
Insulation
Interior Work
Kilns, Drying Systems
Landfills
Landscaping, Irrigation, Lawn Sprinkler Systems, Streams
Landscaping with Planting (Trade License Needed)
Lathe, Plaster, Stucco, Dryvit, EIFS
Lead Abatement (Trade Certificate Needed)
Lift Stations, Pumps
Lightning Protection
Liners
Marine Docks
Masonry
Mausoleums
Medical Shielded Enclosures
Metal Buildings, Detached Structures, Storage Buildings
Metal Studs, Walls
Meter Installation & Service
Microwave Systems, Towers, Satellite Dishes
Millwright
Oil & Gas Field Construction, Rigging
Overhead Doors & Dock Equipment
Paint Booths
Painting, Wallcovering
Passenger Boarding Bridges
Piping, Process Piping, Valve Repair
Plant Maintenance
Plating & Waste Treatment Systems
Plumbing (Trade License Needed)
Pneumatic Tube Systems
Pollution, Air & Dust Control, Blower & Exhaust Systems
Poultry & Swine Electrical
Poultry & Swine Houses
Poultry HVACR
Precipitators
Railroad Construction & Related Items
Rebar
Refrigeration, Cold Storage (Trade Certificate Needed)
Remediation
Remodeling, Renovations, Restoration, Alterations
Retaining Walls
Right of Way Clearing
Roofing, Roof Decks, Roofing Sheet Metal
Sandblasting, Hydroblasting, Dry Ice Blasting
Scaffolding
Scales
Security, Banking, Detention Equipment (Bars & safety no certificate needed)

Septic Tank Installation & Repair (Trade Certificate Needed)
Service Station Equipment
Sheet Metal, Ducts, Ventilation (Trade License Required)
Siding, Soffit, Facia, Gutters
Signal or Burglar Alarms, Fire Detection & Monitoring Systems (Trade Certificate Needed)
Skylights
Solar Systems
Special Coatings or Applications, Caulking, Waterproofing
Sport & Recreational Surfaces
Sprinklers, Fire Protection (Trade Certificate Needed)
Steel, Alloy, Ornamental, Metal Fabrication, Welding
Storm Shelters
Substations
Swimming Pools, Spas
Temperature Controls (Electric)
Temperature Controls (Pneumatic)
Testing & Balancing
Tile, Terrazzo, Marble, Countertops
Tuckpointing
Tunnels, Shafts
Underground Piping, Cable, Trenching, Boring
Underground Storage Tanks (Certificate Needed)
Water and Sewer Lines
Water Lines Associated with Fire Protection
Water Wells (Water Well License required)
Wind Turbines

224-25-6 FINANCIAL REQUIREMENTS

(a)(1) All applications for an Unrestricted license must contain an audited or reviewed financial statement of the applicant's year end or more current, and prepared on the GAAP or accrual income tax basis, of the company, an audited Opinion Letter or Review report from an Independent CPA or RPA.

(2) All applications for a Restricted license must contain a compiled financial statement of the applicant's year end or more current, prepared on the GAAP or accrual income tax basis. The compiled statement must contain a report from the licensed Independent Certified Public Accountant or Public Accountant but are not required to include footnote disclosures unless specifically requested by the Board.

(b) Minimum Business Related Net Worth (new and renewal applications). Minimum Business Related Net Worth for Classification(s) Requested: (Property not used for Business purposes is not acceptable.) New applicants must have one half (1/2) of the minimum Net Worth requirement in cash.

HEAVY	**$50,000**
HIGHWAY, RAILROAD, AIRPORT	**50,000**
MUNICIPAL & UTILITY	**50,000**
BUILDING	**50,000**
LIGHT BUILDING	**20,000**
MECHANICAL	**20,000**
ELECTRICAL	**20,000**
SPECIALTY	**5,000**

(c) Working Capital will also be reviewed and considered in determining whether to issue a new or renewal license. New applicants are required to show a positive working capital.

(d) If the Board determines that the financial information provided by an applicant for a renewal license does not satisfy the financial requirements, the Board may, at its option, deny the application or place the application in Improve status. An applicant who is placed in Improve status will have its license extended thirty (30) days, pending further information being provided and/or changes being made by the applicant to resolve any difficulties. The license is effective only until the next regular meeting of the Board and will expire at the next regular meeting unless further action is taken by the Board.

224-25-7 BIDDING & CLASSIFICATION

(a) It shall be permissible for any city, municipality, sewer or water district, or other political corporation to accept bids from unlicensed contractors for projects involving federal funds specifically designated for the project in question, provided, however, no contractor shall submit a bid prior to submitting application for licensure, and that no construction contract shall be executed until the successful bidder has furnished an appropriate license issued by the Contractors Licensing Board.

(b) Any project being advertised for bid in the State of Arkansas for construction, erection, alteration, or repair of any building or any other structure, must be bid by a prime contractor. However, if the Electrical and Mechanical classification, considered together, or any other specialty, considered by itself, should constitute 80% or more of the total project, the holder of that classification may bid as a prime contractor on the project. A prime Contractor accepts full responsibility for any project except as may be written in the contract with owner.

(c) A Contractor holding a Building classification cannot list itself as Electrical and Mechanical subcontractors unless these classifications have been properly issued by the Contractors Licensing Board and they appear on the current license held by the contractor.

(d) The listing of any classification or sub-classification on a license certificate authorizes the performance of work falling within that field or of any field so closely related that the skill required for the specified field would also apply. It is not intended for these

classifications to be restrictive beyond the point of safeguarding the public interest in requiring Contractors to supply the skills necessary to perform the work under contract.

(e) A Contractor holding the Building classification may enter into general contracts for building construction including all specialty items required in the contract to make the building usable for the purpose intended and may perform these items with his own forces, if qualified, or may sublet such work to qualified specialty contractors skilled in the particular fields involved. It is the specific responsibility of the general contractor to furnish the skills required for the proper performance of all the work included in the contract.

(f) The Contractors Licensing Board may delegate the authority to the Administrator for necessary changes, such as suggested bid limit, name changes, added classification(s), etc., provided, however, proper information to support such change be submitted to the office for placement in file. Any such change will be presented for Board review at its next regular meeting.

224-25-8 COMPLAINTS & INVESTIGATIONS

(a) The purpose of the complaints procedure is to effectively deal with issues effecting the licensure of Contractors. The complaints procedure is not intended to function as a dispute resolution process or a code enforcement process. Any complaint registered with the Contractors Licensing Board of alleged violations must be submitted in writing with proper information to identify job site, owner if possible, any name and phone numbers of individuals and any other information that may tend to be useful in the investigation. The Complainant must furnish his/their name, address and phone number in order to obtain any other information that may be necessary for proper investigation. A written response will be made to a Complainant when investigation is closed if so requested in writing.

(b) A contractor who is licensed shall cooperate with any investigation and provide the Board with all relevant information requested by the Board. The failure to cooperate or to timely provide the Board with relevant information as requested may constitute misconduct in the conduct of the contractors business and may subject the contractor to the revocation of the contractors license.

(c) The Contractors Licensing Board may delegate to the administrator/investigator the authority to obtain contractor compliance as may be necessary. The administrator/investigator will conduct all investigations in such a manner that would be complimentary to the Licensing Law for Contractors.

(d) Any application being denied because of a violation of Ark. Code Ann. § 17-25-101 et seq. shall become invalid and a new application must be submitted and the thirty (30) day waiting period shall begin anew upon being received in the office of the Contractors Licensing Board.

224-25-9 HEARINGS & APPEALS

(a) All hearings and appeals of decisions of the Contractors Licensing Board will be held in accordance with the Arkansas Administrative Procedure Act, Ark. Code Ann. § 25-15-201 et. seq.

(b) Appeals from decisions of the Residential Building Contractors Committee.

(1) Appeals from decisions of the Residential Building Contractors Committee to the Board shall be in writing and filed with the Board within 10 calendar days of the date the decision was served upon the respondent.

(2) A transcript of the original hearing(s) will be ordered and filed with the Board. A copy of the transcript will be provided to the respondent upon request. In the event the Board affirms or modifies, but does not reverse the decision of the Committee, the respondent will be responsible for the costs of the appeal. Said costs includes, but is not limited to, the cost of the transcript. Said costs are in addition to any civil penalties or other sanction imposed.

(3) The Board will review the decision of the Committee and hear arguments from the respondent for respondent's counsel and from the counsel for the Committee. No new or additional evidence will be taken.

(4) The Board may affirm, reverse or modify the decision of the Committee.

(c) Payment of civil penalties. All civil penalties assessed by the Board are required to be paid within 20 days of the date of the hearing. Any civil penalty suspended in whole or in part by the Board shall be suspended upon any condition specifically stated by the Board and upon the condition the civil penalty is paid within 20 days of the date of the hearing. In the event the civil penalty is not paid within 20 days of the date of the hearing, any amount suspended shall be reinstated and shall become due and payable without any further action of the Board being required.

224-25-10 DEADLINES

For any deadline that occurs on a Saturday, Sunday or holiday proclaimed by the State of Arkansas, the time to complete that event shall be extended until the next business day.

224-25-11 BONDS

All bonds required to be filed with the Board pursuant to Ark. Code Ann. § 17-25-401 et seq. shall be made by surety companies which have qualified and are authorized to do business in the State of Arkansas. The bonds shall be executed by a resident or nonresident agent, broker or producer licensed by the Arkansas Insurance Commissioner to represent the surety company executing the bond and shall file with the bond the agent's, broker's or producer's power of attorney to demonstrate his authority.

224-25-12 DEFINITIONS

(a) Ownership: When the terms **His** own or **Its** own property is used in the contractors licensing law, it shall mean sole and exclusive right to sell or convey the property.

(b) Single-family residences: Single-family residence, as referred to in Arkansas Code Ann. § 17-25-101, as amended, means any project consisting of one but not more than four

units constructed for residential occupancy, any project consisting of five or more units is considered multi-family housing.

(c) Qualifying party: A person who has passed the appropriate business and law or trade examination. To act as a "qualifying party" a person must be either: (1) a sole owner; (2) a partner of the partnership; (3) an officer of the corporation who is actively engaged in the day to day activities of the company; (4) a member of the Limited Liability Company who is actively engaged in the day to day activities of the company; (5) a partner of the Limited Liability Partnership who is actively engaged in the day to day activities of the company; or (6) a full time employee.

(d) Full time employee: A person who is an actual employee of the business, not an independent contractor. The person must work, on average, 30 or more hours a week for the business (1500 hours per year), must not be paid as an independent contractor (not receive a "1099" for his earnings but receive a "W-2" for his earnings). A full time employee is not someone who is hired "job to job" as needed. Other factors to be considered in making this determination include, but are not limited to: whether the business pays for workman's compensation insurance on the individual, whether the business pays payroll taxes on the individual, the amount of control the business has over the activities of the individual, the ownership of the tools used by the individual and, whether the individual maintains his own business separate from the business in question.

(e) Construction Management: A process of professional management applied to a construction program, generally from start to finish, for the purpose of controlling time, cost, and quality. Usually the construction management organization links itself to the owner as an agent and thereby places itself in a fiduciary relationship with the owner. Construction management offers a broad range of services encompassing the planning, procurement, construction, and warranty phases of a project. In this relationship, the construction manager can properly represent the owner both to the design professional and to the contractors.

(f) Remodel: Remodeling is the significant structural alteration or repair of an existing structure, including additions to existing structures. Additions that add more than fifty percent (50%) to the existing structure are considered new construction, not an addition.

DISCLAIMER:

Every effort is made to ensure the accuracy of the information contained within this pamphlet. However, due to the possibility of typographical errors and printing errors, the Arkansas Contractors Licensing Board cannot guarantee the accuracy of this information. If you have a question about any of the information contained herein, or would like more complete information, please call the Arkansas Contractors Licensing Board at 501-372-4661