



H O M E
B U I L D E R S
L I C E N S U R E
B O A R D

Mailing Address

P. O. Box 303605

Montgomery, Alabama

36130-3605

Street Address

445 Herron Street

Montgomery, Alabama

36104

Telephone

(334) 242-2230

Fax

(334) 263-1397

www.hblb.alabama.gov

To: Business license holder with "Contractor" designation

From: Chip Carden, Executive Director

Re: **Limited Home Builders License**

The Home Builders Licensure Board (the "Board") licenses residential home builders. Any builder who contracts with a homeowner to perform construction work on a residence when the total cost of the undertaking exceeds \$10,000 is required by law to hold a license issued by the Board. The Board has learned that you and/ or your company currently hold(s) a business license in a field that may be related to the construction industry. In addition to holding the required city or county business license, you may, by law, be required to hold a home builders license issued by the Board.

The Board issues both an UNLIMITED home builders license, and a LIMITED home builders license. The UNLIMITED home builders license (the standard home builders license) allows the license holder to perform all residential construction activities, including new residential construction. Applicants for an UNLIMITED LICENSE are required to pass a written examination testing experience and ability.

The LIMITED LICENSE DOES NOT require a written examination testing experience and ability. Instead, an applicant may satisfy the experience and ability requirements for the LIMITED LICENSE in one of five ways, which are described on the back of this letter.

However, the LIMITED LICENSE allows the license holder to perform ONLY "repair, improvement, or reimprovement" construction activities, that is, a single trade construction activity that does not affect the structural integrity of the residence.

If you contract directly with a homeowner to perform single trade, non-structural construction work, and the total cost of the job exceeds \$10,000, you may hold a LIMITED LICENSE rather than an UNLIMITED LICENSE.

YOU DO NOT NEED A LIMITED LICENSE IF:

You are working for a licensed home builder. The licensed home builder contracted with the homeowner, and you work as a subcontractor for him.

You currently hold a home builders license issued by the Board. It is an UNLIMITED license; therefore, you are not required to hold a LIMITED LICENSE to perform single trade, non-structural construction.

You are otherwise licensed and regulated by another state agency and are operating within the scope of your respective license, such as plumbers, electricians, etc., for clients.

Go online at www.hblb.alabama.gov to download an application packet, or send a written request for an application packet with the \$25.00 application packet fee enclosed, to: Attn: License Application, Home Builders Licensure Board, P.O. Box 303605, Montgomery, AL 36130-3605. Please contact the Board at (800) 304-0853 if you have further questions.

J. R. CARDEN, JR.
Executive Director

State of Alabama
Home Builders Licensure Board

Limited License

Any builder who contracts with a homeowner to perform construction work on a residence when the total cost of the undertaking exceeds \$10,000 is required by law to hold a license issued by the Alabama Home Builders Licensure Board. The Board issues two types of home builder's licenses: (1) an UNLIMITED home builders license and (2) a LIMITED home builders license. The UNLIMITED home builders license is the standard home builders license. It allows the license holder to perform all residential construction activities, including new residential construction, remodeling, and repair, improvement and reimprovement. One of the requirements for obtaining this license is passing a written examination testing experience and ability.

The **LIMITED** home builders license is limited in scope. It allows the license holder to perform **ONLY** "repair, improvement, or reimprovement" construction activities, that is, a single trade construction activity that does not affect the structural integrity of the residence. If the construction activity to be performed involves more than one trade, or affects the structural integrity of the residence, an UNLIMITED home builders license is required.

"Repair, improvement, or reimprovement" **does not** include construction activities performed by persons who are otherwise licensed and regulated by other state agencies and who are operating within the scope of their respective licenses on behalf of clients, such as plumbers, electricians, etc.

The LIMITED LICENSE does not require a written examination testing experience and ability. Instead, an applicant may satisfy the experience and ability requirements for the LIMITED LICENSE by showing any ONE of the following:

1. The applicant has performed a single trade, non-structural construction activity on at least one residence in this state within one (1) year prior to May 31, 2011; that the applicant contracted directly with the homeowner to perform the construction activity; and that the contract price for the work exceeded \$10,000 – submit the copies of the building permit for the job as proof. If you do not have the building permit, you may submit a homeowner affidavit (supplied with the application packet).
2. The applicant has performed a single trade, non-structural construction activity on at least five (5) residences in this state within five (5) years prior to May 31, 2011; that the applicant contracted directly with the homeowner(s) to perform the construction activity; and that the contract price exceeded \$10,000 for each job – submit copies of building permits for the five (5) jobs as proof. If you do not have the building permits, you may submit a homeowner affidavit (supplied with the application packet) for each job.
3. The applicant is currently licensed as a residential home builder by a jurisdiction in this state which requires an examination (testing experience and ability) for such licensure – submit a copy of the license as proof.
4. The applicant is currently licensed as a residential contractor by a jurisdiction in this state and the applicant's residential contracting business generated gross revenues of \$50,000 or more in the previous calendar year – submit a copy of the license, and copies of contracts to substantiate the amount of gross revenues claimed.
5. The applicant possesses sufficient building qualifications and experience to receive a license, as demonstrated by satisfactory evidence presented to the Board – submit a copy of a contractor's license issued by a municipality, township, or county in Alabama, that is current or was current within one (1) year prior to submitting the application, as proof.

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