

# A Step By Step Guide to Obtaining Your Contractor License

## **Step One – Create a business entity.**

Contractor licenses are issued to business entities, not to individuals, so the first step is to create a business entity. While the Board for Contractors recognizes all legal forms of business entities, the most common are: sole proprietorships, limited liability companies (LLC), partnerships, and corporations. You should seek the help of a professional, such as an attorney or CPA, to help you decide what type of business entity would be the best for you. Additionally, several types of businesses require registration with the State Corporation Commission, and a professional can help you with that task. You may also obtain information from Virginia’s Business One Stop service at [www.virginia.gov/business/business-one-stop](http://www.virginia.gov/business/business-one-stop).

## **Step Two – Name that company and be sure to register that name.**

All businesses have a name. Sometimes that is just the name of the sole proprietor, but often it is a fictitious or “trading as” name. You may choose any fictitious name allowed by law, but you must register that name with the appropriate authorities. If your company is a corporation, LLC or limited partnership, you must register both your company and any names used by that company with the Virginia State Corporation Commission. If you have a partnership or sole proprietorship you must register any fictitious name with the court in the jurisdiction in which your company is located. You must provide documentation of any fictitious name as part of your application to the Board for Contractors.

While you may be as creative as you would like in developing a fictitious name, it must not indicate that you do work that is not allowed by your

license. For example, ABCXYZ, Inc., has applied for a license to perform roofing work, it would not be allowed to be called ABCXYZ Builders, Inc., as their license would not permit them to be builders.

### **Step Three – Determine the type of license your company will need.**

#### **A. *Choose your license class.***

Licenses are issued in one of three license classes; A, B, or C. The class of a license determines what, if any, monetary restrictions are placed on the size of contracts or projects you may perform. A Class C license is restricted to contracts/projects that are less than \$10,000, with the total amount of all contracts/projects performed in a twelve month period remaining below \$150,000. A Class B license is restricted to contracts/projects that are less than \$120,000, with the total amount of all contracts/projects performed in a twelve month period remaining below \$750,000. There are no monetary restrictions for Class A licenses.

It is important to select the right class of license for the amount of work your company will be performing as exceeding the limits of your license is a violation of the regulations and could result in disciplinary action being taken by the Board against the licensee. It is also important to remember that each class of license has different financial and experience requirements. Even though you may want a Class A license, you may not meet the eligibility criteria for one, so be sure that you review all of the eligibility requirements before submitting your application.

#### **B. *Choose your specialty.***

Now that you have determined how much work you are going to be allowed to perform with your license, you must determine what you are going to do. Contractor licenses have classifications and specialties that identify the type of work that may be performed with the license. These classifications and specialties are identified as three letter abbreviations that are printed on the bottom of the license. The definition of each of the classifications and specialties can be found in the Board for Contractors Regulations. It is important to select the specialty that best describes the work your company will be performing as working outside the scope of your license is a violation of the regulations and could result in disciplinary action against the license holder.

In order to hold a specialty on your license the Qualified Individual (QI) must meet all of the eligibility criteria. That means that your QI must have experience in that particular specialty and must demonstrate that knowledge by holding an individual license/certification or by taking an examination. Without meeting both the experience

and examination/licensing requirements, you will not be permitted to hold the specialty on your license. See Step Five for additional information about the QI.

#### **Step Four – Identify your Responsible Management.**

All licensed contractors are required, by law, to identify officers, members, partners, owners, etc., of their business entities. These are the individuals responsible for the license and for ensuring that all regulations and statutes are followed. The individuals that must be identified depend on the types of business entity formed for your company. Sole proprietorships, for example, must only identify the one individual who owns the business. Partnerships must identify the partners, corporations the officers, LLCs the members/managers, etc. In order to complete the application you must provide the names of these individuals, their birthdates, Social Security Numbers **OR** Virginia DMV Control Number, and their address and you must include a copy of a government issued photo ID.

#### **Step Five – Identify your Qualified Individual(s).**

You must have a Qualified Individual (QI) for each of the specialties wanted on the license. The QI must be either a bona fide full-time employee (minimum 30 hours per week and not a 1099 employee) **OR** one of the members of Responsible Management identified in step four. All QIs are required to have experience in the specialty they will be linked to and the amount of that experience is determined by the class of license. The QI for a Class A license must have five years of experience in the specialty, Class B must have three years of experience, and Class C two years of experience. The type of work that may be counted towards meeting the experience requirements can be found in the definition of each specialty listed in the Board for Contractors Regulations.

Qualified Individuals must have an additional license or certification **OR** complete a technical examination that is based on the scope of work allowed by that particular specialty. Trade-related specialties, for example, require that the QI hold a valid Master Tradesman license, issued by the Board for Contractors, in the appropriate specialty. In another example, the QI of the home improvement specialty must successfully complete the home improvement technical examination. You can find a list of the specialties that have additional QI requirements on the *Trade Related Examinations and Qualifications Information* sheet that is included in the application packet.

In order to complete the application you must provide the names of these individuals, their birthdates, Social Security Numbers **OR** Virginia DMV Control Number, and their address and you must include a copy of a government issued photo ID.

## **Step Six – Identify your Designated Employee and complete the examination.**

Class A and Class B contractors must have a Designated Employee who has passed the required portions of the examination. As with the Qualified Individual, the Designated Employee must be a member of Responsible Management or a bona fide full-time employee. All Designated Employees for Class B licenses must successfully complete the *General* and *Virginia* portions of the examination. All Designated Employees for Class A licenses must successfully complete the *General*, *Virginia*, and *Advanced* portions of the examination. Please note that there is no Designated Employee for Class C licenses.

In order to complete the application you must provide the names of these individuals, their birthdates, Social Security Numbers ***OR*** Virginia DMV Control Number, and their address and you must include a copy of a government issued photo ID.

## **Step Seven – Complete the pre-license education course.**

All applicants for licensure as a contractor (all classes) are required to have either a member of Responsible Management or their Designated Employee (for Class A and Class B license only) successfully complete a pre-license education course that has been approved by the Board for Contractors. There are several dozen approved courses that are available that can be used to meet this requirement. Most are given in the classroom, but some providers offer online or correspondence courses. While the Board approves these courses, the providers are permitted to set their own fees, schedules, and locations, so you should check the list of providers and contact the ones that best meet your needs. You may download a list of approved providers from our website.

## **Step Eight – Complete the entire application.**

It is important that all items on the application be completed. Failing to complete an item will result in a delay in the processing of your application. If you have a question about an item on any application form please email the Board for Contractors at [contractor@dpor.virginia.gov](mailto:contractor@dpor.virginia.gov), or call the licensing staff at (804) 367-8511.

Some of the questions may, depending on your answer, require that you provide additional documentation. Please be sure to carefully read what additional information may be needed, as failure to provide everything that is required will result in a delay in processing your application.

**Step Nine – Send the application to the Board with the appropriate fee.**

You must submit the appropriate fee along with your application. Each form has the fee that must be submitted listed on the first page of that form. Applications received without a fee are returned to the applicant and no additional action is taken. If you send in the wrong fee, it may delay the processing of your application. Please note that fees are non-refundable so, if you do not meet the eligibility requirements licensure, you are not issued a refund of the application fee, but may be eligible for a refund of your Recovery Fund assessment.

**Step Ten – Be patient while the licensing staff processes your application.**

Applications are processed on a first in – first out basis, and the average processing time for most applications is approximately 30 days, but can be more or less depending on a number of factors. If your application is complete and you have met all of the eligibility requirements, the license will be issued at the initial review and will be mailed to you. If your application is incomplete, then a letter will be sent to you outlining what was missing and what we need to finish the review and issue your license.

A note about “non-routine applications:” if an application involves someone with a past criminal history, past adverse financial history, or past disciplinary history, it is considered a non-routine application and often involves an extra step or two in order to be processed. Most of the time this does not result in a delay in the processing of the application, but some non-routine applications must be reviewed by the Board for Contractors at one of their scheduled meetings. If your application must be reviewed by the Board, you will be notified and information will be provided to you regarding the process in place to get your application processed.