

. License requirement — Recovery of expenses by unlicensed contractor. —

(a) (1) Any person, firm or corporation engaged in contracting in this state shall be required to submit evidence of qualification to engage in contracting, and shall be licensed as provided in this part. It is unlawful for any person, firm or corporation to engage in or offer to engage in contracting in the state, unless the person, firm or corporation has been duly licensed under this part. Any person, firm or corporation engaged in contracting, including a person, firm or corporation that engages in the construction of residences or dwellings constructed on private property for the purpose of resale, lease, rent or any other similar purpose, shall be required to submit evidence of qualification to engage in contracting and shall be licensed. It is unlawful for any person, firm or corporation to engage in, or offer to engage in, contracting as described in this subdivision (a)(1) unless the person, firm or corporation has been duly licensed under this part.

(2) (A) Notwithstanding subdivision (a)(1), any person, firm or church that owns property and constructs on the property single residences, farm buildings or other buildings for individual use, and not for resale, lease, rent or other similar purpose, is exempt from the requirements of this part.

(B) Except in counties with a population of not less than seven hundred seventy-seven thousand one hundred thirteen (777,113), according to the 1980 federal census or any subsequent federal census, a person or firm specified in subdivision (a)(2)(A) shall not make more than one (1) application for a permit to construct a single residence or shall not construct more than one (1) single residence within a period of two (2) years. There shall be a rebuttable presumption that the person or firm intends to construct for the purpose of resale, lease, rent or any other similar purpose if more than one (1) application is made for a permit to construct a single residence or if more than one (1) single residence is constructed within a period of two (2) years. This subdivision (a)(2)(B) shall not be construed to alter the definition of "contractor" as defined in § 26-2-101.

(3) Notwithstanding subdivisions (a)(1) and (2), the license requirements and restrictions contained in this subsection (a) shall not apply to single residences constructed by:

(A) Nonprofit charitable or religious corporations, associations and organizations that are exempt from federal income taxation under § 501(c)(3) of the Internal Revenue Code of 1986, compiled in 26 U.S.C. § 501(c)(3); or

(B) Students enrolled in educational institutions who construct the residences under the direct supervision of faculty as part of the curriculum of the institution.

(4) The exemption provisions of subdivisions (a)(2) and (3) concerning licensure shall apply to limited licensed electricians.

(5) Notwithstanding subdivision (a)(1), any single residence homeowner is exempt from the limited licensed electrician requirements of this part for purposes of performing electrical work on the homeowner's own residence.

(b) Any contractor required to be licensed under this part who is in violation of this part or the rules and regulations promulgated by the board shall not be permitted to recover any damages in any court other than actual documented expenses that can be shown by clear and convincing proof.

[Acts 1976, ch. 822, § 3; 1977, ch. 9, § 1; 1979, ch. 59, § 7; 1980, ch. 652, § 5; T.C.A., § 62-603; Acts 1986, ch. 913, § 1; 1989, ch. 487, § 1; 1990, ch. 763, §§ 1, 2; 1993, ch. 192, § 1; 1994, ch. 986, § 1;

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1999, ch. 238, § 8; 2000, ch. 876, § 1; 2009, ch. 482, § 1.]