MISSION STATEMENT

The mission of the State of Alabama Home Builders Licensure Board is to provide consumer protection by safeguarding the public's health, safety and welfare through the regulation of the residential construction and remodeling industries while promoting industry professionalism and home building and remodeling standards. Adopted 4/25/02.

PURPOSE & AUTHORITY

- Protecting the public from unqualified, incompetent, or dishonest home builders and remodelers by regulating the residential home building and remodeling construction industries.
  - Require licensing and establish the licensing requirements.
  - Discipline licensees which includes suspensions and revocations.
  - Deterring unlicensed builder activity by stopping their jobs, levying fines, and pursuing criminal charges.
REVISIONS TO HOME BUILDER LICENSURE LAW

Home Builders Licensure Law effective May 1, 2018
Rules & Regulations effective October 12, 2018.

CHANGES TO THE HOME BUILDER LICENSURE LAW

- Added license requirement for advertising to perform work requiring a license.
- Defined improvement.
- Added residential roofer to the definition of residential home builder.
- Defined cost of the undertaking.
- Defined residential roofer.
- Clarified definition of structure.
- Added the non-transferability of the homeowner exemption.
- Added residences contained in agricultural building.
WHAT BUILDING OFFICIALS NEED TO KNOW

DEFINITIONS

COST OF THE UNDERTAKING
The total cost of the materials, labor, supervision, overhead, and profit.
DEFINITIONS

IMPROVEMENT

Any site-built addition or enhancement attached to or detached from a residence or structure for use and enjoyment by the homeowner.


DEFINITIONS

RESIDENCE

A single unit providing complete independent residential living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.

DEFINITIONS

RESIDENTIAL HOMEBuilder
A person who constructs a residence or structure for sale or who, for a fixed price, commission, fee, or wage, undertakes or offers to undertake the construction or superintending of the construction, or who manages, supervises, assists, or provides consultation to a homeowner regarding the construction or superintending of the construction, of any residence or structure that is not over three floors in height and that does not have more than four residential units, or the repair, improvement, or reimprovement thereof, to be used by another as a residence when the cost of the undertaking exceeds ten thousand dollars ($10,000).

DEFINITIONS

RESIDENTIAL HOME BUILDER (Continued)
Notwithstanding the foregoing, the term includes a residential roofer when the cost of the undertaking exceeds two thousand five hundred dollars ($2,500). Nothing herein shall prevent any person from performing these acts on his or her own residence or on his or her other real estate holdings. Anyone who engages or offers to engage in any acts described in this subdivision, through advertising or otherwise, shall be deemed to have engaged in the business of residential home building. Ala. Code § 34-14A-2 (11).
DEFINITIONS

RESIDENTIAL ROOFER

A person that installs products or repairs surfaces on the external upper covering of a residence or structure that seals, waterproofs, or weatherproofs the residence or structure. Ala. Code § 34-14A-2 (12).

DEFINITIONS

STRUCTURE

A residence on a single lot, including a site-built home, a condominium, a duplex or multi-unit residential building consisting of not more than four residential units or any improvement thereto. Ala. Code § 34-14A-2(13).
DEFINITIONS

AGRICULTURAL BUILDING

A building, not meeting the definition of residence or structure within the Act, and used for raising, harvesting, and selling crops or for the feeding, breeding, management, raising, sale of, or the production of livestock, including beef cattle, sheep, swine, horses, ponies, mules, poultry, fur-bearing animals, honeybees, and fish, or for dairying and the sale of dairy products, or for the growing and sale of timber and forest products, or any other agricultural or horticultural use or animal husbandry and any combination thereof pursuant to Ala. Code § 40-8-1(b)(1). Ala. Admin. Code r. 465-X-1-.01(3)

DEFINITIONS

SINGLE LOT

The term “single lot” as used in Ala. Code § 34-14A-2(13) and as used in these rules shall mean:

(a) A single lot as prescribed by local zoning ordinances or building codes.

(b) Builders who construct or offer to construct more than four (4) residences on a single lot, including site-built homes, condominiums, duplexes, or multi-unit residential buildings consisting of more than four (4) residential units are subject to the jurisdiction of the Alabama Licensing Board for General Contractors. Ala. Admin. Code r. 465-X-1-.01(11).
WHAT YOU SHOULD KNOW

LICENSE REQUIREMENT
All residential home builders shall be required to be licensed by the Home Builders Licensure Board annually. Ala. Code § 34-14A-5(a).

WHAT YOU SHOULD KNOW

TYPE OF LICENSE
Unlimited License
WHAT YOU SHOULD KNOW

TYPE OF LICENSE
Limited License
• Contracts directly with homeowner
• The cost of the undertaking exceeds $10,000
• The job involves only one construction activity and does not affect the structural integrity of the residence.

WHAT YOU SHOULD KNOW

TYPE OF LICENSE
Roofing License
• Contracts directly with homeowner
• The cost of the undertaking exceeds $2,500
WHAT YOU SHOULD KNOW

EMERGENCY ROOFING LICENSE

• When a state of emergency is declared by the Governor of the state of Alabama pursuant to Ala. Code § 31-9-8, the Executive Director is authorized to waive the requirements for the issuance of a home builders license with limitation limited to roofing, except for proof of financial responsibility as set forth in Ala. Admin. Code r. 465-X-3-.04(5)(a).

• (b) Where the state of emergency does not affect the entire state, licenses issued pursuant to this section, emergency licenses, will be issued, and will be valid, only in the counties designated in the Governor’s proclamation.

WHAT YOU SHOULD KNOW

EMERGENCY ROOFING LICENSE CONTINUED

• (c) Licenses issued pursuant to this section may be issued for the duration of the state of emergency, beginning at the declaration of the state of emergency and ending when the state of emergency is declared by the Governor to be over, or when the state of emergency expires.

• (d) Licenses issued pursuant to this section will be valid for no more than 60 days.

• (e) Licenses issued pursuant to this section cannot be renewed. Only one license will be issued to any home builder applying for an emergency license.
WHAT YOU SHOULD KNOW

FORM OF LICENSE

• Individual
• Partnership
• Corporation
• Limited Liability Company
• Not-for-profit Organization

WHAT YOU SHOULD KNOW

EXEMPTIONS

• Employees of a Licensee
• Employees of the United States, State of Alabama, or any municipality, county, or other political subdivision
• Exempt General Contractors (GC License Number 18908 or below)
• Real estate licensee, licensed engineers, and licensed architects operating within the scope of their respective licenses on behalf of clients
WHAT YOU SHOULD KNOW

EXEMPTIONS CONTINUED

Agricultural buildings, except for any residence contained therein.
Ala. Code § 34-14A-6(g).

WHAT YOU SHOULD KNOW

HOMEOWNER EXEMPTION

Owners of property when acting as their own contractor and providing all material supervision themselves, when building or improving one-family or two-family residences on such property for the occupancy or use of such owners and not offered for sale. This exemption is a nontransferable privilege. Ala. Code § 34-14A-6(e)(1).
WHAT YOU SHOULD KNOW

HOMEOWNER EXEMPTION CONTINUED

In any action brought under this chapter, proof of the sale or offering for sale of such structure by the owners of property, as provided in this subdivision, within one year after completion of same is presumptive evidence that the construction was undertaken for the purpose of sale.

 Ala. Code § 34-14A-6(e)(2).

WHAT YOU SHOULD KNOW

HOMEOWNER EXEMPTION CONTINUED

- Homeowner Affidavit
- Contractors working directly for homeowner
- Homeowners hiring contractor after claiming exemption
- Non-transferability of exemption
- Flipping
It is the duty of the building official, or other authority charged with the duty, of issuing building or similar permits, of any incorporated municipality or subdivision of the municipality or county, to refuse to issue a permit for any undertaking which would require a license hereunder unless the applicant has furnished evidence that he or she is either licensed as required by this chapter or is exempt from the requirements of this chapter. The building official, or other authority charged with the duty of issuing building or similar permits, shall report to the board the name and address of any person who, in his or her opinion, has violated this chapter. Ala. Code § 34-14A-13.
WHAT YOU SHOULD KNOW

REVOCATION OF LICENSE

SUSPENSION OF LICENSE
WHAT YOU SHOULD KNOW

STOP WORK ORDER POSTED BY THE BOARD

WHAT YOU SHOULD KNOW

Board will lift the stop work order and provide notification upon receipt of the following:

- Affidavit from homeowner, licensee, or exempt general contractor
- Building permit issued to licensee
- Contract between homeowner and licensee
WHAT YOU SHOULD KNOW

LICENSEE TIMELY RENEWED
WHAT YOU SHOULD KNOW

REPORTING UNLICENSED BUILDERS
Call the Builder Watch Hotline at
1-800-304-0853 ext. 232
or download form from the Board's webpage
www.hblb.alabama.gov

POSSIBLE LIABILITY ISSUES

Issuing permit to non-licensed entity.
Issuing permit to non-exempt GC.
(License number is 18908 or below.)
Issuing permit for work beyond the scope of the license.
THINGS YOU SHOULD DO

✓ Check the license card.
✓ Have the homeowner sign the homeowner exemption affidavit.
✓ Report Unlicensed Builder Activity to the Board.
✓ Report licensee working beyond the scope of their license.
✓ Ensure that there is a written/signed contract between the homeowner and licensee.

HOME BUILDERS LICENSURE BOARD

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