

1. Licensing

Licensing rules are set by each state, and sometimes by the county or city. Start here.

Check your state licensing board before anything else on this list. Whether you need a contractor license or registration often depends on the size or the type of the project, and that changes from state to state. License classes, exams, fees, renewals, bonds and lien rules vary too. This kit does not list any state's rules.

- ☐ **Find your state's contractor licensing board.** Search for your state name plus "contractor license board" and use the official state website.
- ☐ **Ask whether you need a contractor license or registration** for the kind of work you do and the size of project you take. Get the answer from the board, not from a forum.
- ☐ **Learn the license classes your state uses** (for example general, residential or specialty) and which one fits your work. Write down what each requires: experience, exam, application and fees.
- ☐ **Ask about bonding.** Some states or cities require a contractor bond, and some customers ask for one. Find out whether you need one, for how much, and how to get it.
- ☐ **Learn the workers' compensation rule before you hire.** Ask your state's workers' compensation agency or your insurance agent when coverage is required, including for part-time help, day labor and subcontractors who carry no coverage of their own.
- ☐ **Collect every subcontractor's license and certificate of insurance** before they start. Check each license with the state board where one is required. Keep copies in the job folder and note when each certificate expires.
- ☐ **Ask an attorney about lien rights and lien waivers.** Learn who can file a lien in your state, which notices have to go out and by when, and when to give or collect lien waivers. The rules, forms and deadlines vary by state.
- ☐ **Decide who pulls the permits on each project, you or the sub, and write it in the contract.** Ask the city or county building department which work needs a permit, who is allowed to pull it, what it costs and how inspections get booked.
- ☐ **Get a city or county business license or registration** if your area requires one. Check where the business is based and where you work, since they can differ.
- ☐ **Ask whether extra certification or testing applies to work on older buildings,** such as lead-safe renovation or checking for asbestos before demolition.
- ☐ **Put renewal dates on your calendar** and keep copies of every license, bond and permit in one folder. Find out whether your state requires your license number on contracts, estimates, ads and the truck.