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When am I Required to Hire a Licensed Contractor?

This information is not meant to cover all the requirements of MN STATUTE 326B. When in doubt refer to the statute <https://www.revisor.mn.gov/statutes/?id=326B> and <http://www.dli.mn.gov/Celd.asp>.

Generally, the State of Minnesota requires that all residential construction work be performed by licensed, bonded, and insured contractors and their employees. In specific cases, and within strict limitations, construction work may be performed by a homeowner. If the building is a commercial building, (Multi-Family) the owner may do the work on the property without hiring a contractor and without a license. Exceptions to this include **plumbing, mechanical and electrical work** that must be performed by licensed/bonded contractors

Building:

The state licensing law applies to work on all "residential real estate," which is defined in Minn. Stat. § 326B.802, subd. 13 as "a new or existing building constructed for habitation by one to four families, and includes detached garages."

A State building contractor license is NOT required for work on commercial or agricultural buildings, or on residential buildings with more than four individual units.

A homeowner may apply for a building permit to work on his or her own home or rental property. If the owner does not reside in the home, (i.e., it is a rental) he/she may still apply for a building permit, but will need to fill out a Homeowner Waiver Form, which will be submitted to the Department of Labor and Industry. This is because owners must be licensed (or complete a Homeowner Waiver Form) if they build or remodel for the sole purpose of building speculation or resale. The permit applicant must be the currently listed property owner.

Electrical:

Any homeowner who physically lives in (or will live in upon the completion of construction) the home that requires electrical work CAN apply for an electrical permit to work on his or her own home. The permit applicant/owner must be the currently listed property owner.

However, a licensed electrical contractor (properly licensed with the State of Minnesota) must take out any electrical permits for work being done in non-owner-occupied residences. This applies to both single- and multi-unit rental properties.

Plumbing:

Any homeowner who physically lives in the home that requires plumbing work CAN apply for a plumbing permit to work on his or her own home. The permit applicant/owner must be the currently listed property owner.

However, a licensed plumbing contractor (properly licensed with the State of Minnesota) must take out any plumbing permits for work being done in non-owner-occupied residences. This applies to both single- and multi-unit rental properties.

Note: It is illegal for a non-licensed owner to do plumbing work on property that is rented, leased or occupied by others.

Heating, Ventilation and Air Conditioning (HVAC)

A homeowner CAN apply for HVAC permits to work on his or her own home, or a property he or she owns that is rented. The permit applicant/owner must be the currently listed property owner.

An HVAC contractor (properly bonded with the State of Minnesota) must take out any HVAC permits for work being done in a multi-unit rental property.

While there is no state license requirement for mechanical contractors, **they are required to file a \$25,000 mechanical contractor bond with the Department of Labor & Industry (DLI)** to contract to perform gas, heating, ventilation, cooling, air conditioning, fuel burning or refrigeration work in Minnesota. The bond must be on a form approved by DLI and written by a surety company licensed to do business in Minnesota.

Once a mechanical contractor has properly filed with DLI, they must check with the municipalities in which they intend to work to make sure that they comply with any local licensing, insurance, permitting and inspection requirements. This applies to both single- and multi-unit rental properties.

Note: It is illegal to contract to perform gas, heating, ventilation, cooling, air conditioning, fuel burning or refrigeration work without a DLI bond and Burnsville license.

Note: Regardless of who performs the work, permits are required. For more information on when permits are required, refer to the Building Permit handouts available at City Hall or online at WWW.101developmentresources.com

To verify if a contractor is licensed or to find out how to become a licensed contractor in the State of Minnesota visit