



COBB COUNTY COMMUNITY DEVELOPMENT AGENCY

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Notice:

August 12, 2015

To: Whom it may concern
From: Development & Inspections
Subject: Phasing out of Code Compliance Bonds

In July 2015 the Board of Commissioners approved a code amendment to phase out the requirement for contractors to have a Code Compliance Bond in place, with Cobb County Development & Inspections, in order to obtain permits in unincorporated Cobb County.

The Code Compliance Bond requirement was put in place in 1986 so that the County would have the legal authority to re-inspect structures and require code compliance for one year after final inspection. Historically the complaints that we received that lead to Code Compliance Bond cases were related to latent code violations that surfaced during the one year period and/or code violations that were present due to job abandonment.

In July of 2008 the State of Georgia "Residential and General Contractor Licensing Law" went into effect (O.C.G.A Section 43-41-1). The 2008 law requires that a written warranty be provided for work activity or the compensation to be received by the contractor for such activity or work exceeds \$2,500.00 for any single family residence.

Since the introduction of the Residential and General Contractor Licensing Law we have seen a steady decrease in the number of complaints against contractors. We believe that the reduction of cases is directly related to the contractor licensing law. Additionally, since the licensing law addresses the most prominent issues related to Code Compliance Bond cases we believe that the duplication of enforcement related to these issues is no longer necessary.

Not offering a warranty as required by O.C.G.A Section 43-41-7 and rule 553-7-.01 is grounds for disciplinary action. Abandoning a construction project is also grounds for disciplinary action. Please see the aforementioned rule 553-7-.01 for a complete list of items that constitutes grounds for disciplinary action.

The appropriate division of the State Licensing Board may take any one or more of the following actions against any license holder found by the division to have committed any one or more of the acts listed in O.C.G.A Section 43-41-16 (a) and rule 553-9-01;

- (1) Place the license holder on probation or reprimand the license holder;
 - (2) Revoke a license, including the license of a person as an individual as well as that of a qualifying agent of a business organization together with the interest of the business organization qualified thereby in such license; suspend such a license for a stated period of time not exceeding one year; or deny the issuance or renewal of the license;
 - (3) Require financial restitution to a consumer for financial harm directly related to a violation of a provision of this chapter;
 - (4) Impose an administrative fine not to exceed \$5,000.00 for each violation;
 - (5) Require continuing education; or
 - (6) Assess costs associated with the investigation and prosecution.
- (c) In determining penalties in any final order of the board or a division, the board or division shall follow the penalty guidelines established by the board's or division's rules and regulations.
- (d) The board or a division may assess interest or penalties on all fines imposed under this chapter against any person or business organization which has not paid the imposed fine by the due date established by rule, regulation, or final order.
- (e) If the board or a division finds any contractor has violated the provisions of this chapter, the board or division may as a part of its disciplinary action require such contractor to obtain continuing education in the areas of contracting affected by such violation.

The County Code now states:

Sec. 18-2. - Deletion of reference to code compliance bonds

Effective January 1, 2016, all other references to code compliance bonds in Chapter 18 of this code are deleted. Code compliance bonds that have been deposited prior to that date shall remain in effect until January 1, 2017 and will become void and unserviceable upon that date unless any such code compliance bond is under review for violations at the time. Any such bond will remain valid until all code compliance issues are resolved to the satisfaction of the building inspector or the Surety has rendered payment and the case has been closed by Cobb County.

For more information about the Residential and General Contractor Licensing Law and associated rules, to include the on-line contractor complaint quick link, please visit the Ga. Secretary of State website at <http://sos.ga.gov/>