



GC PREP WHITEPAPER · VOL. 1

What Each State Asks of Its Contractors

A cross-state analysis of GC exam and licensing requirements across Maryland, Virginia, the District of Columbia, New Jersey, New York, and Pennsylvania — with recommendations for national competency baselines and regional reciprocity.

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Executive Summary

Across the six Mid-Atlantic jurisdictions analyzed in this whitepaper — Maryland, Virginia, the District of Columbia, New Jersey, New York, and Pennsylvania, the core of GC Prep's exam-prep coverage — only two jurisdictions administer a formal state examination: Virginia's multi-class DPOR examinations and Maryland's narrower MHIC examination. The other four regulate by registration, surety bond or insurance, and contract-form discipline, with knowledge testing handled (when handled at all) at the municipal level.

That asymmetry is not new, but it has become more visible as cross-state contracting volume has grown. A general contractor whose business spans the Washington–Baltimore or New York metropolitan corridors will encounter five different consumer-protection thresholds, six different regulatory bodies, three different bond regimes, and — for any work crossing into a NASCLA-accepting state — at least one additional standardized exam. The total cost of multi-state compliance, in time and capital, is substantial. The total cost of low-information consumer protection, where it exists, is also substantial.

This whitepaper does three things. **First**, it maps what each of the six states actually requires of a residential contractor — the regulatory body, the threshold values, the contract rules, the bond. **Second**, it compares those requirements side-by-side and surfaces patterns: where the states converge, where they diverge, and what the divergence costs the contractor and the consumer. **Third**, it offers three recommendations grounded in a single editorial position: the goal of any regulatory modernization should be to *reduce duplicative testing and credentialing burden on the contractor while raising the floor of demonstrated capability* through a single, portable competency standard — the driver's-license model.

The analysis draws on GC Prep's curated, statute-anchored exam-content corpus — **834 exam-prep questions across 24 content sections** spanning the six jurisdictions — and on direct review of each state's published regulations and licensing-board materials as of Q2 2026.

1. What Each State Tests (Coverage Map)

★ **CHART 1** *The Mid-Atlantic regulatory-model coverage map — six jurisdictions, four operative models*

REGIONAL MAP — REGULATORY MODEL BY JURISDICTION



Tile arrangement reflects approximate geographic adjacency; tile size is not proportional to land area or population. The District of Columbia is geographically enclosed within Maryland; the District is shown here as a separate adjacent tile to preserve regulatory legibility. Each state's tile color encodes its regulatory model — formal state exam (red), local-only exam (coral), exam in development (gold), or registration-only (green).

This section catalogs each state's regulatory framework: who issues the license, what the section breakdown of any required exam looks like, what topics are covered, what passing looks like, and whether the state honors any other state's license.

1.1 Maryland — MHIC (Home Improvement Commission)

Governing body: Maryland Home Improvement Commission (MHIC), a unit of the Maryland Department of Labor's Division of Occupational and Professional Licensing.

Statutory basis: Maryland Code, Business Regulation Article, Title 8 (Md. Bus. Reg. §§8-101 et seq.).

License type: State-issued MHIC contractor license. A Commission-approved third-party testing vendor (PSI has been the long-standing vendor; current vendor pending confirmation from the Commission) administers a state contractor examination as part of the licensure pathway.

License duration: Two years.

Section structure as represented in the GC Prep corpus (which mirrors the MHIC exam outline structure):

SECTION	QUESTION COUNT IN CORPUS	TOPIC FOCUS
MHIC Law & Admin	40	Licensing requirements, prohibited practices, complaint process, definitions
MD Unique Topics	40	Guaranty Fund operation, MHIC-specific deposit and contract rules, state-specific lien procedure
Math & Estimating	40	Material takeoffs, construction math, markup vs. margin, break-even analysis

Maryland total in corpus: 120 questions across 3 sections.

Real exam vs. GC Prep coverage. As of this revision, the Commission's published examination information describes the MHIC Contractors' Examination as **55 questions, 150 minutes, with a 70% passing score (39 correct of 55)**; the current examination vendor, open-book status, and cut score are pending confirmation from the Commission. The published topic breakdown is Home Improvement Law (41 questions), Door-to-Door Sales Act (4), Labor Laws (3), Safety Regulations (4), and Estimating (3). GC Prep's 120-question Maryland corpus mirrors the official topic

weighting and provides roughly 2× the question depth of the real exam, allowing candidates to cycle through the full topic space several times before sitting for the live test.

Notable Maryland-specific features:

- ▶ **Guaranty Fund.** Maryland operates one of the most developed consumer-protection compensation funds in the country. The Fund pays up to **\$30,000 per homeowner claimant** and **up to \$250,000 in aggregate per contractor** for actual monetary losses caused by poor workmanship or failure to perform — but only against licensed contractors. Claims against a single contractor exceeding the \$250,000 aggregate are prorated. This fund is supported by a contractor assessment paid at initial licensure and at each renewal.
- ▶ **Financial responsibility.** Contractors must maintain a minimum net worth (the cram-sheet figure of \$20,000 is widely cited in industry materials; the controlling statute should be verified against the current MHIC regulations before use in any contractor-facing filing) or post an equivalent surety bond.
- ▶ **Written contract requirement.** Maryland home improvement contracts **must be in writing and signed regardless of value** — Md. Bus. Reg. §8-501 imposes no dollar floor. The contract must include the MHIC license number, a detailed description of work, total price, estimated completion date, and the homeowner's notice of cancellation rights. The initial deposit may not exceed **one-third (33%)** of the contract price.
- ▶ **Subcontractor rule.** Industry materials commonly state that Maryland eliminated the separate MHIC subcontractor license effective July 1, 2016; the Commission's currently published license categories, however, continue to list a subcontractor classification. The operative status of the subcontractor category is pending confirmation from the Commission as of this revision. What is settled: contracting directly with a homeowner requires a full MHIC contractor license.

Pass criteria: The passing score is published as the cut score for the Maryland exam (typically 70%, consistent with comparable state contractor examinations; the current cut score and vendor are pending confirmation from the Commission's candidate materials).

Reciprocity status: Maryland does not offer broad NASCLA-style reciprocity for the MHIC home-improvement license — an out-of-state contractor performing home improvement work in Maryland must hold an MHIC license. Whether any specific reciprocity arrangements exist is pending confirmation from the Commission as of this revision.

1.2 Virginia — DPOR (Department of Professional and Occupational Regulation)

Governing body: Virginia Department of Professional and Occupational Regulation (DPOR), Board for Contractors.

Statutory basis: Code of Virginia, Title 54.1, Chapter 11 (§§54.1-1100 et seq.); regulations at 18 VAC 50-22.

License type: Virginia issues a tiered state license in three monetary classes, all administered through PSI examinations.

License duration: Two years.

License classes (Va. Code §54.1-1100 as amended by 2025 cc. 127/133, effective September 1, 2025; verbatim statutory text verified against the Virginia Law Portal July 14, 2026):

CLASS	PER-PROJECT VALUE	12-MONTH AGGREGATE	NET WORTH (ALTERNATIVE: BOND)
Class A	\$150,000 or more (no upper limit)	\$1,000,000 or more (no upper limit)	\$45,000 net worth, or \$50,000 surety bond
Class B	\$30,000 up to but not including \$150,000	\$250,000 to under \$1,000,000	\$15,000 net worth, or \$50,000 surety bond
Class C	Over \$1,000, under \$30,000	Under \$250,000	No financial-statement minimum; no bond required

2025 threshold change. The 2025 amendments raised the Class C ceiling from \$10,000 to \$30,000 and moved the Class A line from \$120,000 to \$150,000 (12-month tests updated to \$250,000 / \$1,000,000). Materials published before September 2025 — including earlier revisions of this whitepaper — reference the prior tiers.

Important clarification. A common industry misconception is that Virginia's surety bond is tiered by license class (\$50K/\$25K/\$10K for Class A/B/C). The current DPOR statute (Code of Va. §§54.1-1106 and 1108, and the published DPOR surety bond form A501-27BOND) establishes Virginia's actual rule: **Virginia requires a single \$50,000 surety bond as an alternative to the financial-statement net worth requirement.** The bond is required for Class A and Class B applicants who do not meet the net-worth minimum; Class C does not require a bond. A separate **per-claim cap of \$20,000** applies for single-transaction claims under §54.1-1120.1, with an aggregate \$50,000 cap.

Section structure as represented in the GC Prep corpus:

SECTION	QUESTION COUNT IN CORPUS	TOPIC FOCUS
VA Law & Reg	40	DPOR licensing, QI requirements, prohibited acts, complaint process
Business & Finance	40	Insurance, bonding, financial responsibility, business operations
Math & Estimating	40	Trade math, construction estimating, business calculations
VA Local & Jurisdiction	40	Locality requirements, ESC, Chesapeake Bay Act, mechanic's lien, prompt payment

Virginia total in corpus: 160 questions across 4 sections.

Real exam vs. GC Prep coverage. Virginia Class A applicants must pass **two distinct PSI examinations**: the *Trade Examination* (70 questions, 180 minutes, 70% to pass) and the *Virginia Advanced Contractor License Examination* — business and law (50 questions, 120 minutes, 70% to pass) — totaling **120 official questions**. Class B applicants take a shorter business-and-law module; Class C applicants take an even shorter module. All Class A/B/C applicants must additionally complete an 8-hour DPOR-approved pre-license education course. GC Prep's 160-question Virginia corpus exceeds the combined Class A exam length by roughly 33%, with deliberate over-coverage on Local & Jurisdiction topics where DPOR test-item rotation is highest.

Notable Virginia-specific features:

- **Qualified Individual (QI).** Virginia is one of the few states in this study that requires each licensed contractor to designate a Qualified Individual — an owner, officer, or employee who is actively involved in the business and has passed the PSI trade exam. The QI is the technical authority on the license. Failure to maintain an active QI is grounds for license forfeiture.

- ▶ **PSI exams.** Class A applicants must pass two distinct PSI examinations: the **trade examination** (70 questions, 180 minutes, 70% passing) and the **Virginia Advanced Contractor License Examination** (business and law, 50 questions, 120 minutes, 70% passing). Class B and Class C applicants take a shorter business and law module. All applicants must also complete an 8-hour DPOR-approved pre-license education course.
- ▶ **Written contract threshold.** Contracts of **\$1,000 or more** trigger licensure requirements under §54.1-1103.
- ▶ **Mechanic's lien.** The lien memorandum must be **filed within 90 days** under Va. Code §43-4 — measured from the last day of the month in which labor or materials were last furnished, and in no event later than 90 days from completion or termination of the work. A separate **150-day look-back limit** caps which labor and materials may be *included in the lien amount*; it is not a filing deadline. Notice of nonpayment to the homeowner is required.

Pass criteria: 70% on each PSI exam component.

Reciprocity status (significant). Unlike the other five states in this study, Virginia operates a real reciprocity framework. As of Q2 2026, DPOR has approved licensing agreements that waive Virginia's trade examination for applicants holding valid licenses from:

- ▶ **North Carolina** Residential Building Contractor (RBC) examination
- ▶ **North Carolina** Commercial Building Contractor (CBC) examination
- ▶ **Ohio** Business and Law and Virginia Advanced and General Law examination

Virginia also accepts the **NASCLA Accredited Examination for Commercial General Building Contractors** for certain Virginia classifications (verify the current scope against DPOR's published reciprocity page). The Virginia business and law portion is generally still required even when the trade exam is waived through reciprocity.

This combination — a tested state license plus published reciprocity agreements — makes Virginia the most regulatorily-mobile of the six states examined.

1.3 District of Columbia — DLCP Basic Business License (HIC Endorsement)

Governing body: District of Columbia Department of Licensing and Consumer Protection (DLCP), Business and Professional Licensing Administration. (Note: DLCP was renamed from DCRA — the Department of Consumer and Regulatory Affairs — and the DCRA name still appears in older industry materials. Current source-of-truth is DLCP.)

Statutory basis: D.C. Official Code §47-2853, et seq.; D.C. Municipal Regulations Title 16, Chapter 8.

License type: Basic Business License (BBL) with the Home Improvement Contractor (HIC) endorsement. The District does not issue a traditional "general contractor" license at the state level for residential work; commercial construction work is governed by the DC Construction Codes rather than a contractor-license regime.

License duration: Two years.

Section structure as represented in the GC Prep corpus:

SECTION	QUESTION COUNT IN CORPUS	TOPIC FOCUS
DC HIC Law	59	Home Improvement Contractor endorsement requirements, consumer protection, Clean Hands, written contract, \$300 threshold
DC GC / CM Law	55	General Contractor / Construction Manager classifications, prevailing wage, Davis-Bacon, performance & payment bonds, First Source
DC Local & Jurisdiction	30	DLCP/DCRA, DDOT, DOEE, HPRB, CRIAC, IZ, First Source, Green Permit Program

District of Columbia total in corpus: 144 questions across 3 sections.

Notable DC-specific features:

- ▶ **No state exam.** The District does not require a trade or business exam for the Home Improvement Contractor endorsement. Licensure is by application, documentation, and compliance.
- ▶ **Surety bond.** Home Improvement Contractor applicants must post a **\$25,000 Home Improvement Surety Bond** for the duration of the two-year license period. (Some industry-published materials still reference a \$10,000 bond; the current DLCP requirement, published on the agency's Surety Bond Details page, is \$25,000.)
- ▶ **Clean Hands.** All DC contractors must obtain a Clean Hands certificate from the DC Office of Tax and Revenue, certifying no outstanding tax debt above \$100. This is verified at initial licensure and at each renewal.
- ▶ **Liability insurance.** General liability insurance is required at the schedule published in 16 DCMR §803: **\$50,000 per person, \$100,000 per accident, and \$10,000 property damage.** The District of Columbia must be named as an additional insured.

- ▶ **Background check.** All HIC applicants undergo a criminal history check through the Metropolitan Police Department.
- ▶ **Written contract threshold. \$300** — the lowest in this study, codified in the DC HIC regulations and confirmed in the DLCP HIC application materials. Contracts must include scope, timeline, payment schedule, materials, warranty, and the license number. Advance payment cannot exceed **one-half (50%)** of contract value.
- ▶ **Home Improvement Salesperson (HIS) license.** DC is the only jurisdiction in this study that requires a *separate* license for individuals who solicit or sell home improvement contracts on behalf of a licensed HIC. Even employees of a licensed HIC must hold an HIS license to perform sales-related activities. This is a unique structural feature with no analog in MD, VA, NJ, NY, or PA.
- ▶ **3-day rescission.** For door-to-door solicitations, the homeowner has three business days to rescind. No work may begin until the rescission period expires.

Pass criteria: Not applicable — no exam.

Reciprocity status: The District does not offer reciprocity for the Home Improvement Contractor endorsement, and it does not accept the NASCLA examination for any contractor classification.

1.4 New Jersey — DCA Home Improvement Contractor Business Registration (in transition)

Governing body: New Jersey Division of Consumer Affairs (DCA), Regulated Business Section — and, as of July 2025, the newly formed **New Jersey State Board of Home Improvement and Home Elevation Contractors**.

Statutory basis: Contractors' Business Registration Act (CBRA), N.J.S.A. 56:8-136 et seq.; Home Improvement Practices regulations at N.J.A.C. 13:45A-16; **P.L. 2023, c. 237**, the Home Improvement and Home Elevation Contractor Licensing Act (signed January 2024), which amended the CBRA and established the new Board.

License type: In transition. Registration as a Home Improvement Contractor Business (HICB) is currently the controlling credential, administered by DCA. The new Licensing Act, however, is in active implementation: the Board was partially seated in July 2025; CE requirements and a state-administered exam are under development. Full licensing requirements will take effect approximately two years after a majority of Board members are seated.

License duration: Annual renewal (HICB registrations expire March 31).

Section structure as represented in the GC Prep corpus:

SECTION	QUESTION COUNT IN CORPUS	TOPIC FOCUS
NJ Law & Regulations	30	Contractor Registration Act, Home Improvement Practices, escrow, consumer notice
Business & Finance	32	Insurance, additional security (bond), financial responsibility
Trade & Safety	30	Code compliance, OSHA, jobsite safety
Local & Jurisdiction	26	Municipal layering, county permits, NJ UCC enforcement
Recent Updates	12	P.L. 2023 c. 237 implementation, new Board, CE in development

New Jersey total in corpus: 130 questions across 5 sections.

Notable New Jersey-specific features:

- **Tiered "additional security" requirement (effective via P.L. 2023, c. 237).** New Jersey replaced its prior flat bond requirement with a **graduated compliance bond** keyed to contract value, established by **P.L. 2023, c. 237** (the precise codified section for the bond tiers is pending verification as of this revision; N.J.S.A. 56:8-142 codifies the \$500,000-per-occurrence liability-insurance minimum discussed below):

BOND AMOUNT	TRIGGER
\$10,000	Single contracts under \$10,000 OR annual contracts totaling under \$150,000
\$25,000	Single contracts \$10,000–\$120,000 OR annual contracts totaling \$150,000–\$750,000
\$50,000	Single contracts over \$120,000 OR annual contracts totaling at least \$750,000

Important clarification. Industry-published materials that pre-date P.L. 2023 c. 237 sometimes still reference a flat \$20,000 bond; the post-2023 framework establishes the tiered structure above. The compliance bond may also be satisfied by an irrevocable letter of credit or other approved security. The bond-tier trigger values shown above are under verification against the enacted text of P.L. 2023, c. 237 for the next revision.

- **Insurance.** HICBs must maintain commercial general liability insurance at a minimum of **\$500,000 per occurrence**. Home Elevation Contractor Businesses (HECBs) require **\$1,000,000 per occurrence**. Workers' compensation is required unless statutorily exempt.
- **Escrow.** Deposits in excess of statutory limits must be held in escrow at a New Jersey bank or trust company. Commingling with operating funds is a registration violation.

- ▶ **Maximum deposit.** One-third of the contract price — the same down-payment cap framework used by Maryland, New York City, and Pennsylvania.
- ▶ **Written contract threshold. \$500**, with a required Consumer Notice document at signing.

Pass criteria: Not currently applicable. The state-administered exam contemplated by P.L. 2023, c. 237 is in development.

Reciprocity status: None. New Jersey does not currently participate in NASCLA or any bilateral reciprocity agreement. The new Board may revisit this question during implementation.

1.5 New York — DCWP Home Improvement Contractor (no statewide regime)

Governing body: Locally administered. New York does not issue a statewide home-improvement-contractor or general-contractor license. Licensing is fully decentralized to municipal and county authorities. The two most prominent local regimes for the purposes of this whitepaper are:

- ▶ **New York City Department of Consumer and Worker Protection (DCWP).** (Note: DCWP was renamed from the Department of Consumer Affairs / DCA; older industry materials still use "NYC DCA.")
- ▶ **Five downstate counties:** Nassau, Suffolk, Westchester, Rockland, and Putnam each administer their own HIC licensing programs.

Statutory basis: New York City Administrative Code Title 20, Chapter 2, Subchapter 22 (NYC HIC). County-level statutes vary.

License type: NYC Home Improvement Contractor License (the most rigorous local regime in the corpus). Outside NYC and the five counties, **no contractor license is required** at the local level in most upstate jurisdictions.

License duration: NYC HIC licenses expire February 28 of odd-numbered years.

Section structure as represented in the GC Prep corpus:

SECTION	QUESTION COUNT IN CORPUS	TOPIC FOCUS
NY Law & Regulations	40	GBL Article 36-A, county registration, NYC HIC Administrative Code, GBL §771, rescission
Business & Finance	40	Mechanic's lien, Article 3-A trust funds, surety bonds, insurance
Trade Knowledge & Safety	38	NYC Building Code, IBC adoption, lead paint, Local Law 1, OSHA, fall protection
NY Specific Requirements	30	NYC Local Law 196 (SST), Labor Law §240 (Scaffold Law), Labor Law §220 prevailing wage
Recent Updates (2025–2026)	12	Local Law 97 Phase 2, DOB NOW, 2025 enforcement updates, misclassification penalties

New York total in corpus: 160 questions across 5 sections.

Real exam vs. GC Prep coverage. The NYC DCWP Home Improvement Examination is **30 questions, 70% to pass (21 of 30 correct)** — by far the shortest formal exam in this study. The exam covers NYC Administrative Code, contractor law, contracts, consumer protection, lien law, and business management. Because GC Prep's New York corpus covers the broader New York regulatory landscape (statewide Lien Law Article 3-A, GBL Article 36-A, NYC Local Law 196 / 97 / 1, the five-county HIC regimes) and not only the 30-question NYC HIC exam, the 160-question corpus

serves both NYC HIC candidates and the much larger population of New York contractors operating outside NYC who face no formal exam but still need command of the statutory framework that governs their work.

Notable New York-specific features:

- ▶ **No statewide license.** This is the most consequential fact about NY for any multi-state contractor. There is no NY Department of State HIC registration that confers statewide authority. Authority is conferred at the local level.
- ▶ **NYC HIC is exam-based.** One qualifying principal of each NYC HIC applicant must pass a **30-question Home Improvement Examination** at the DCWP Licensing Center. The pass score is approximately 70% (21 of 30). The exam covers NYC Administrative Code, contractor law, contracts, consumer protection, lien law, and business management.
- ▶ **NYC bond / trust fund choice.** Applicants must either post a **\$20,000 surety bond** OR enroll in the **DCWP Trust Fund** (\$200 one-time fee, lifetime enrollment in a pooled consumer-protection fund). Most NYC HIC licensees choose the trust fund. The trust fund balance is capped — if it exceeds \$2,000,000, new licensees do not pay the enrollment fee until the fund draws down.
- ▶ **NY Lien Law Article 3-A trust fund.** Statewide, contractor payments are treated as **statutory trust funds** for the benefit of subcontractors, suppliers, and laborers. Misuse of trust funds is a criminal offense under Article 3-A. This is one of the strongest subcontractor-protection regimes in the country and applies whether or not a state or local license is involved.
- ▶ **Mechanic's lien.** Under New York Lien Law §10, the filing deadline is **4 months for single-family dwellings only** and **8 months for all other projects** — including multi-family residential buildings, which take the 8-month deadline.

- ▶ **EPA Lead-Safe certification.** Required for all NYC HIC applicants whose work could disturb lead-based paint, with affirmation required if not applicable.
- ▶ **Fingerprinting and background.** Required for all NYC HIC principals.

Pass criteria: 70% on the NYC HIC examination (21 of 30 questions correct).

Reciprocity status: None. New York neither offers nor accepts state-level reciprocity for contractor licensing, and no NY jurisdiction accepts the NASCLA examination.

1.6 Pennsylvania — PA Attorney General Home Improvement Contractor Registration (Act 132)

Governing body: Pennsylvania Office of Attorney General, Bureau of Consumer Protection. Local building authority varies by municipality.

Statutory basis: Home Improvement Consumer Protection Act, **Act 132 of 2008** (as amended), codified at **73 P.S. §§517.1 et seq.**

License type: State-level HIC registration (not a license — registration confers consumer-protection obligations and a public registration number, but no examination or trade certification). Multi-layered local licensing applies in Philadelphia and Pittsburgh.

License duration: Annual renewal.

Section structure as represented in the GC Prep corpus (Option A — single product, four sections):

SECTION	QUESTION COUNT IN CORPUS	TOPIC FOCUS
PA HIC (Statewide)	30	Act 132 registration, contract requirements, prohibited practices, deposit cap
Philadelphia HIC	30	Philadelphia Department of Licenses and Inspections, local HIC license
PA UCC (Uniform Construction Code)	30	UCC adoption, code compliance, inspections, IBC/IRC/IECC reference
PA Local Licensing	30	Pittsburgh PLI, Allegheny County DPW, municipal opt-out, third-class city rules

Pennsylvania total in corpus: 120 questions across 4 sections.

Notable Pennsylvania-specific features:

- ▶ **State registration only — no state exam.** Pennsylvania requires registration with the Office of Attorney General. There is no state-administered trade exam. The registration number must appear on all contracts, advertisements, and business documents.
- ▶ **Financial responsibility.** Act 132 imposes no statewide surety-bond requirement on home improvement contractors. The statutory financial-responsibility instrument is mandatory liability insurance of at least **\$50,000 per occurrence**, disclosed at registration under 73 P.S. §517.4.
- ▶ **Written contract threshold. \$500.** The contract must include all required disclosures, the PA Consumer Notice form, the registration number, and may not require the consumer to waive lien rights (any such waiver clause is void).
- ▶ **Maximum initial deposit.** For home-improvement contracts **over \$5,000**, the deposit may not exceed **one-third of the contract price plus the cost of special-**

order materials (73 P.S. §517.9). PA does not require escrow accounts (one of the few states in this study that does not).

- ▶ **Multi-jurisdictional layering — Philadelphia.** In addition to Act 132 registration with the PA Attorney General, contractors performing residential work in Philadelphia must hold a separate Philadelphia Home Improvement Contractor License from the **Department of Licenses and Inspections (L&I)**, with separate renewal, separate insurance minimums (typically \$500K general liability), and separate permits (building, demolition, U&O).
- ▶ **Multi-jurisdictional layering — Pittsburgh.** Pittsburgh PLI (Permits, Licenses, and Inspections) administers building and demolition permits, U&O certificates, and historic-district reviews. Pittsburgh does not require a separate contractor license beyond the state Act 132 registration, but PWSA (Pittsburgh Water and Sewer Authority) maintains stormwater permitting requirements that exceed state-level rules.
- ▶ **Uniform Construction Code.** PA adopted the UCC at the state level (with municipal opt-out provisions). Most municipalities have adopted the 2018 IBC/IRC/IECC base.
- ▶ **Mechanic's lien.** Filing deadline is **6 months** from last labor or materials supplied (49 P.S. §1502). Lien waiver clauses in contracts are statutorily void.

Pass criteria: Not applicable — no exam.

Reciprocity status: None. Pennsylvania does not participate in NASCLA reciprocity and does not maintain bilateral agreements for residential home improvement contracting.

2. Differences and Similarities Across States

The six states span a remarkable range of regulatory philosophies. This section organizes that range across ten comparable dimensions.

2.1 The Most Important Single Difference: Exam Versus Registration

Of the six states examined, **only Virginia operationally tests its general contractors at the state level.** Maryland uses PSI to administer an exam tied to its MHIC license, but the MHIC examination is narrower in trade scope than Virginia's three-class system. The District of Columbia, New Jersey, Pennsylvania, and the state-level layer of New York all license (or register) by paperwork, bond, and background check — not by demonstrated knowledge.

This is the single most consequential pattern in the study. It explains why GC Prep's exam-prep corpus is heaviest in MD and VA (the two states with operationally tested licenses) and why the corpus for DC, NJ, NY (state-level), and PA emphasizes consumer-protection contract rules, lien law, and statute-specific compliance facts rather than trade math or building-science fundamentals. The exam-relevance pattern follows the regulatory model.

The most common counter-argument — that knowledge testing has not been shown to improve construction outcomes — is empirically open. The states that test (VA, partially MD) and the states that register without testing (DC, NJ, PA, NY-state) have not produced comparable longitudinal data on consumer complaint rates per licensed contractor. A useful research extension of this whitepaper would commission that comparison from each state's licensing authority. For now, the policy split is sustained by tradition and political economy rather than by demonstrated outcome differences.

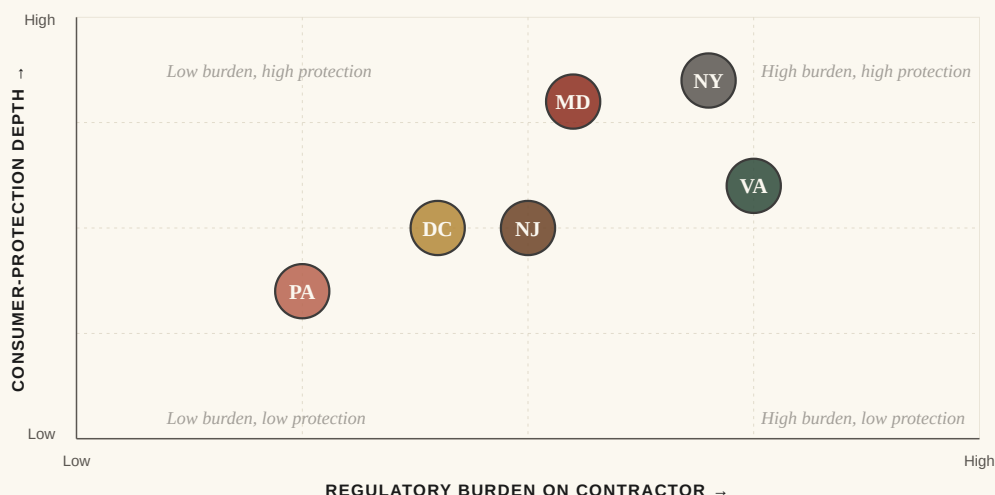
2.2 Comparison Matrix

DIMENSION	MD (MHIC)	VA (DPOR)	DC (DLCP)	NJ (DCA → BOARD)	NY (DECENTRALIZED)
Regulatory body	MHIC	Board for Contractors	DLCP (fka DCRA)	DCA / new Board	NYC DCWP + 5 counties + upstate localities
License type	State license	State license (3 classes)	BBL with HIC endorsement	Registration (transitioning to license)	Local license (no state regime)
State exam required	Yes (vendor pending Commission confirmation)	Yes (PSI, multi-component)	No	No (planned)	No state; NYC: yes (30-question)
Written contract threshold	All contracts (no dollar floor)	\$1,000	\$300	\$500	\$500 (NYC)
Initial deposit cap	33% (1/3)	Statute does not cap	50% advance payment	1/3 of contract price	1/3 (NYC residential)
Surety bond regime	\$20K net worth or bond	\$50K alternative to net worth (A/B); none (C)	\$25,000 (HIC)	Tiered: \$10K / \$25K / \$50K	\$20K bond OR \$200 trust fund (NYC)
Consumer-protection fund	MHIC Guaranty Fund (\$30K / \$250K)	VA Contractor Transaction Recovery Fund (\$30K)	None	None (Board may create)	NY Lien Article 3-A trust fund (statewide); NYC DCWP Trust Fund (optional)

DIMENSION	MD (MHIC)	VA (DPOR)	DC (DLCP)	NJ (DCA → BOARD)	NY (DECENTRALIZED)
		/ \$100K biennial aggregate, post-2025)			
Lien filing deadline	180 days (MD)	90 days (file); 150- day inclusion look-back (Va. Code §43-4)	90 days	90 days (non- residential); 120-day lodging window (residential, N.J.S.A. 2A:44A)	4 months (single-family dwellings) / 8 months (all other projects)
Continuing education	Requirement applies (hour count pending Commission confirmation)	None	None	In development	None (state); NYC: none
Reciprocity status	None	NC (RBC/CBC), OH (B&L); NASCLA (commercial)	None	None	None

★ **CHART 3** *Regulatory burden on the contractor versus consumer-protection depth — composite scoring of the six jurisdictions*

REGULATORY BURDEN vs. CONSUMER-PROTECTION DEPTH



Composite scoring is editorial. Burden axis: combines exam complexity (zero for PA/DC/NJ/NY-state, moderate for MHIC, high for DPOR Class A), surety bond magnitude, insurance minimums, and local-layer permitting overhead. Protection axis: combines presence and magnitude of consumer-protection fund or trust, lien protection strength, deposit-cap stringency, written-contract trigger threshold, and statutory disclosure requirements. NY's position reflects the dual mechanism of statewide Lien Law Article 3-A trust plus the NYC DCWP Trust Fund. MD's position reflects the Guaranty Fund's \$30K / \$250K caps, which are the largest consumer-protection compensation pool in the study. The chart is intended to make the policy-tradeoff structure visible at a glance; a state may score high on both dimensions (NY, MD), low on both (PA), or asymmetrically (VA, DC).

2.3 Where the States Converge

Across all six states, a small core of contract-discipline rules has converged toward common practice:

- **Written-contract trigger threshold clusters at \$300–\$1,000.** Four of six jurisdictions (NJ, NY-NYC, PA, and the strictest position from DC at \$300) use a \$300–\$500 threshold; Virginia uses \$1,000; Maryland requires a written contract for

all home-improvement work regardless of value. The District's \$300 trigger and Maryland's no-floor rule are the most consumer-protective positions in the study.

- ▶ **Maximum initial deposit clusters at one-third** (MD, NJ, NY-NYC, PA). No state in the study allows a contractor to demand more than 50% before substantial completion (DC), and most cap meaningfully below that.
- ▶ **Mechanic's lien protections are present everywhere**, with filing deadlines ranging from 90 days (DC, VA, NJ non-residential) at the shorter end, through 120 days (NJ residential lodging window) and 4 months (NY single-family dwellings), to 6 months (PA), 8 months (NY all other projects), and 180 days (MD) at the longer end. The variation in deadlines is the most significant single divergence in lien procedure across the six states.
- ▶ **Notice of nonpayment** before lien filing is required in MD, VA, NJ, NY, and PA. DC operates a slightly different complaint-mediation path through DLCP / OCRA.
- ▶ **Substantial completion** is defined consistently at approximately 95% complete with only minor punch-list outstanding.

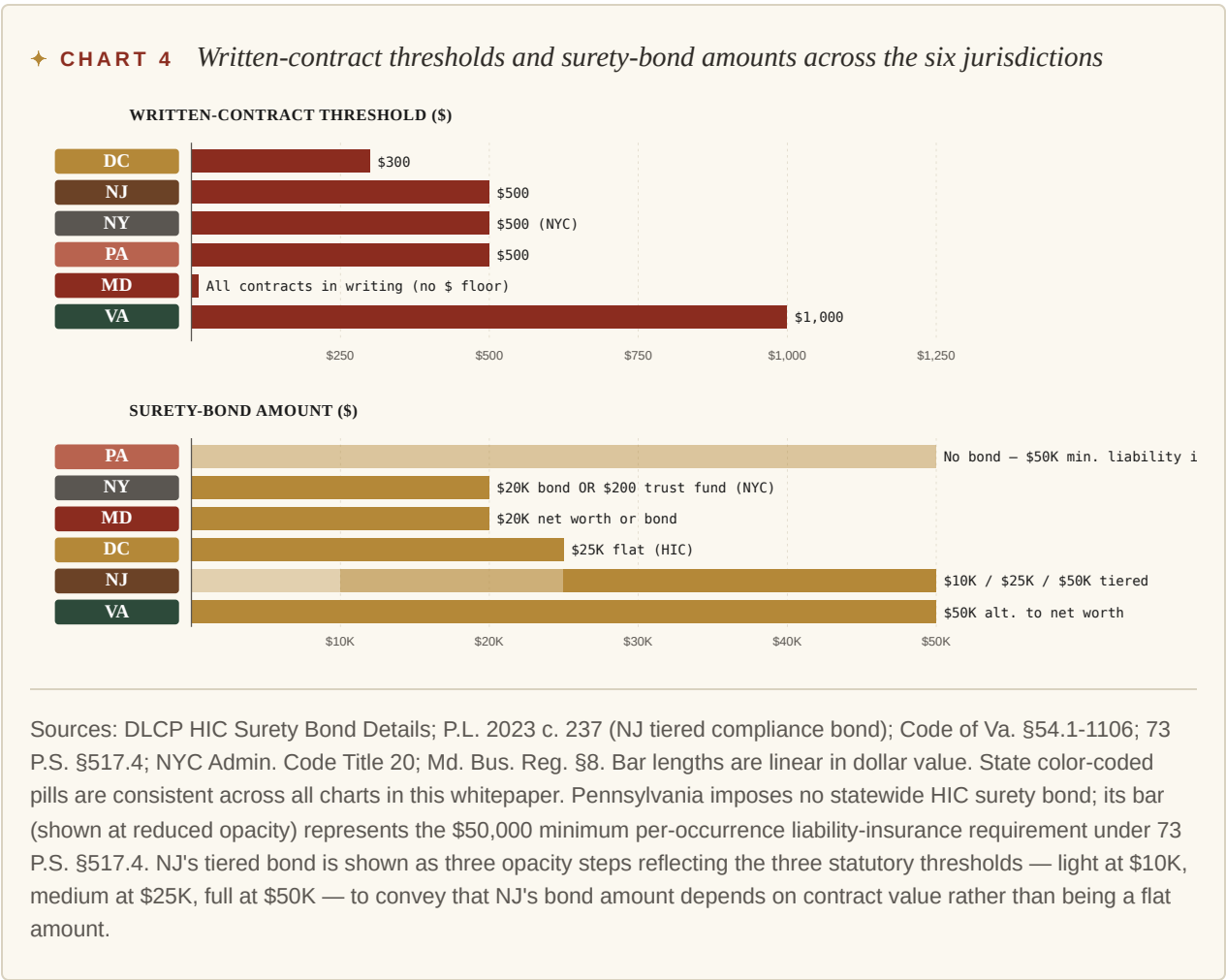
These convergent rules are the strongest candidates for a national baseline (see Section 3a).

2.4 Where the States Diverge

- ▶ **Knowledge testing.** The single largest divergence — discussed in 2.1 above.
- ▶ **Consumer-protection compensation funds.** MD's Guaranty Fund (\$30K / \$250K) and NY's combination of Article 3-A trust fund plus NYC DCWP Trust Fund are substantively different mechanisms from the bond-only approach used by DC, PA, and (currently) NJ. Maryland's fund pays homeowners; NY's Article 3-A protects subcontractors and suppliers; the bond-only states rely on the surety to make a homeowner whole.

- ▶ **Bond regime sophistication.** Pennsylvania imposes no statewide surety bond — its financial-responsibility instrument is a minimum \$50,000-per-occurrence liability-insurance requirement. DC uses a flat \$25,000 bond. New Jersey, as of P.L. 2023, c. 237, now uses the most sophisticated graduated bond in the study (\$10K / \$25K / \$50K keyed to contract value), but most contractors in the Mid-Atlantic operate with a flat bond regardless of their actual exposure. Virginia is unusual in offering net worth as the primary financial-responsibility test and the surety bond as the alternative.
- ▶ **Decentralization.** New York is uniquely fragmented — the state itself does not license, and a single contractor working in the New York metropolitan area may need separate licenses from NYC DCWP, Nassau County Consumer Affairs, Suffolk County, Westchester, Rockland, and Putnam.
- ▶ **Local layering in PA.** Pennsylvania imposes state registration (Act 132), Philadelphia L&I licensing, Pittsburgh PLI permitting, and county-level UCC inspection on the same contractor working across the state.

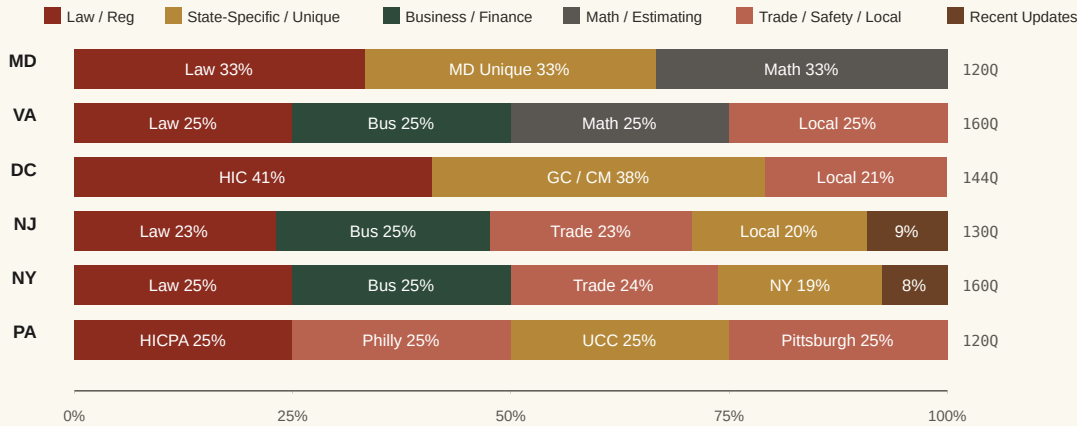
2.5 Threshold Comparison



A multi-state contractor crossing the Mid-Atlantic faces five different combinations of (1) written-contract threshold, (2) deposit cap, and (3) bond amount. There is no single contract template that satisfies all six jurisdictions simultaneously, even though the underlying rules converge on similar principles.

2.6 Question Coverage by Topic

★ **CHART 5** Question coverage by topic category across each state's GC Prep corpus (% of state's questions)



Source: GC Prep curated content corpus, June 2026 (Revision 1.1). Percentages computed from section question counts; totals shown to the right of each bar. Color encoding is consistent across bars: red = law/reg, gold = state-specific/unique-to-jurisdiction, dark green = business/finance, charcoal = math/estimating, coral = trade/safety/local, brown = recent updates / new content.

The relative weighting of content categories in each state's exam-prep corpus follows directly from each state's regulatory model. Virginia, as the only state with a multi-part technical examination, devotes substantial space to math and trade estimating. Maryland balances trade math against consumer-protection law. Pennsylvania's four-section structure reflects the layered regulatory geography (state + Philly + UCC + Pittsburgh) rather than a single trade exam. New York and New Jersey concentrate on lien law, contract discipline, and statute-specific compliance because that is what their regulatory frameworks actually test (or contemplate testing).

3. Recommendations

MASONBYTE LLC's Editorial Position. As an active general contractor operating across the Mid-Atlantic, MASONBYTE does not advocate for additional compliance regulation on general contractors. The recommendations below are aimed in the opposite direction: at *reducing duplicative testing and credentialing burden* on the contractor, while *raising the floor of demonstrated capability* through a single, portable competency standard. We support reciprocity — but reciprocity is only practical when the receiving jurisdiction can trust the credential of the sending jurisdiction. That trust is built on an agreed-upon expectation of capability, the same way the fifty-state driver's-license framework works. Our recommendations follow that model: harmonize the standard, preserve state authority over compliance enforcement, and let the credential travel with the qualified contractor.

3.a A National Competency Baseline: The Driver's-License Model

Reciprocity, in any of the forms discussed in this whitepaper, is only practical when the receiving jurisdiction can trust the credential of the sending jurisdiction. The driver's-license model is the working precedent: all fifty states accept a driver's license issued in any other state, because all fifty states agree on what counts as evidence that the holder can drive. The system works not because the federal government compels acceptance — it does not — but because the *substantive standard* is harmonized voluntarily and the credential travels with the holder.

Contractor licensing currently has no driver's-license equivalent. A contractor demonstrably competent in Maryland is not, by any operational measure, presumed competent in New Jersey or the District. The result is a regulatory geography in which

each state defends its own credential against a stranger's claim of equivalence, and the contractor pays the cost in time, exam fees, and duplicative paperwork of proving the same competency multiple times.

The NASCLA Accredited Examination for Commercial General Building Contractors is the closest existing approximation. As of Q2 2026, NASCLA's commercial examination is accepted by 22 state licensing agencies, primarily in the Southeast and Southwest (Alabama, Arizona, Arkansas, Florida, Georgia, Louisiana, Mississippi, Nevada, New Mexico, North Carolina, Oregon, South Carolina, Tennessee, Utah, Virginia, West Virginia, and others). The Mid-Atlantic — MD, DC, NJ, NY, PA — is entirely absent from this list.

Three concrete extensions of the NASCLA model would meaningfully advance the driver's-license vision without adding new layers of regulation:

1. Broader adoption of NASCLA as a *substitute* for state-specific trade exams.

Maryland MHIC, DC DLCP, Pennsylvania, and the new New Jersey Board could each accept the NASCLA Accredited Examination *in lieu of* a state-administered trade exam, with a short state-specific addendum covering only the consumer-protection-fund mechanism, lien procedure, and deposit-cap rules unique to that state. This reduces the total credentialing burden on a multi-state contractor without weakening any individual state's consumer-protection regime — the state-specific protections remain in force, while the redundant testing of the same construction fundamentals is eliminated.

2. A parallel residential-competency baseline on the NASCLA model. NASCLA's current examination is calibrated for **commercial general building contractors**. A separately developed, voluntarily-adopted "Residential Home Improvement Contractor" baseline — addressing the contract-discipline, lien-law, and consumer-protection topics that dominate Mid-Atlantic regulation — would address the actual content gap that prevents Mid-Atlantic adoption today. This is the body of knowledge that the GC Prep corpus has organized: contract triggers, deposit limits, surety bonds, lien procedures, consumer-protection funds, and trade math sufficient for residential estimating. Voluntary adoption preserves state authority while creating the portable credential.

3. Preservation of state authority over compliance enforcement. The NASCLA model works because participating states retain control over their bond amounts, fund caps, written-contract thresholds, complaint-investigation procedures, and disciplinary processes. A national competency baseline does not — and should not — impose any change to those state-level choices. The standard travels; the enforcement stays local. This is the political-economy bargain that has earned 22 state agencies' voluntary participation on the commercial side, and it is the only durable model for extending the framework to the Mid-Atlantic.

The cost to state regulators of *not* adopting a portable competency standard is meaningful and underappreciated: every state that maintains a wholly state-specific trade exam pays the development and maintenance cost of that exam, including item analysis, candidate bulletins, and PSI administration. Accepting NASCLA in lieu of an independently-developed state trade exam reduces that recurring cost while preserving the state's authority to set every other parameter of contractor licensure. For a state regulator, this is a net savings paired with a net gain in interstate workforce mobility.

3.b Regional Reciprocity: The DC–MD–VA Tri-State Corridor

The strongest single regional reciprocity opportunity in this study is the **DC–MD–VA tri-state corridor**, also known as the Washington Metropolitan Area. This recommendation is grounded in three observable facts:

1. The states already share regulatory geometry. All three jurisdictions impose stringent written-contract rules (\$300 threshold in DC, \$1,000 in VA, and a written contract required for all home-improvement work in MD). All three use substantively similar deposit-cap frameworks (one-third to one-half). All three impose mechanic's lien protections with comparable notice-of-nonpayment requirements. All three operate consumer-protection compensation mechanisms (MHIC Guaranty Fund, VA Transaction

Recovery Fund, DC's bonded HIC). The underlying contract-discipline rules are already harmonized in substance, if not in statute.

2. Virginia already has a working reciprocity model. Virginia DPOR's published reciprocity agreements with North Carolina (RBC and CBC) and Ohio (Business and Law) demonstrate that DPOR is willing and able to operate a reciprocity framework. Extending an existing reciprocity framework by two jurisdictions is structurally simpler than creating one from scratch.

3. Cross-border contractor traffic is already high. The Washington Metropolitan Area is the most cross-border-active contracting market in the East Coast outside metropolitan New York. Federal facilities, military installations, embassies, and large institutional clients in the District routinely procure work from contractors headquartered in Maryland and Virginia. The compliance overhead of maintaining three separate licenses for the same firm is well-documented and currently borne by every regional contractor.

A practical implementation would proceed in three stages:

- ▶ **Stage 1 (administrative).** DC DLCP, Maryland MHIC, and Virginia DPOR jointly publish a common license-application worksheet that maps each agency's documentation requirements into a single submission. No statutory change required. This alone eliminates 30–50% of the duplicative paperwork burden.
- ▶ **Stage 2 (limited reciprocity).** Each agency accepts the others' completed background checks, insurance certificates, and Clean Hands/tax-clearance verifications. The substantive license decision remains with each agency, but documentary inputs are reciprocally honored. Implementation through memorandum of understanding (MOU) is sufficient; no legislative action required in any of the three jurisdictions.
- ▶ **Stage 3 (full bilateral recognition).** Each agency accepts an active license from the other two as conclusive proof of regulatory good standing, with a state-specific addendum exam (covering only the consumer-protection-fund mechanism, the lien-

filing deadline, and the local-jurisdiction layering unique to that state) administered through PSI. This would require coordinated rulemaking by all three agencies, and possibly legislative authorization in Maryland (where MHIC reciprocity authority is statutorily constrained).

The same logic applies more weakly to the NJ–NY–PA tri-state corridor, but practical reciprocity there is blocked by New York's structural fact that no state-level license exists to reciprocate against. Any NY–NJ–PA reciprocity proposal would have to wait either for NY to create a statewide HIC regime or for NYC DCWP to accept out-of-state licenses — neither of which is on any current legislative calendar.

3.c State-Level Board Recommendations

Beyond the national baseline and the regional reciprocity proposals, each of the six states could meaningfully improve its licensing regime through actions entirely within its own authority. The unifying theme of the recommendations below is *consistent with the editorial position stated at the top of Section 3*: reduce duplicative testing, expand portability of demonstrated competency, preserve consumer-protection mechanisms, and avoid adding new layers of mandatory regulation on the contractor.

Maryland (MHIC). Maryland's Guaranty Fund is the strongest consumer-protection mechanism in the study and should be preserved. The most contractor-friendly modernization step is structural transparency: publish, on the MHIC website, an annual report on Guaranty Fund claim activity (currently absent from public reporting) so that licensing policy is grounded in evidence rather than assumption. On the credentialing side, MHIC should consider accepting the NASCLA Accredited Examination (or its forthcoming residential equivalent) in lieu of the current Maryland-specific trade exam, with a short MHIC-administered addendum covering the Guaranty Fund mechanism, deposit-cap rules, and Maryland lien procedure. This preserves Maryland's consumer-protection regime in full while giving Maryland contractors a portable credential they can

use in other NASCLA-accepting states. The Guaranty Fund's per-claimant (\$30,000) and aggregate-per-contractor (\$250,000) caps were last meaningfully calibrated some years ago and, given construction-cost inflation, may warrant indexation — but indexation is a consumer-side fix, not a contractor-side burden, and the assessment that funds the cap is paid at renewal regardless of cap level.

Virginia (DPOR). Virginia is the operational reference model for this whitepaper's recommendations. The 2025 statutory updates to the Transaction Recovery Fund (per-claim raised to \$30,000, biennial aggregate raised to \$100,000, Class A annual cap eliminated) demonstrate that Virginia is willing to modernize. The most immediate next step is to formalize and expand the existing reciprocity framework to include Maryland and the District (Section 3.b above). A secondary recommendation is to publish the DPOR exam blueprint with detailed topic weighting and sample question stems, which would substantially improve preparation quality and reduce the variance of pass rates across the state. Both recommendations are pro-contractor and pro-transparency without adding any new regulation.

District of Columbia (DLCP). The District's current structural choice — no state exam, but a low (\$300) written-contract threshold and required HIS (salesperson) licensing — is internally consistent and consumer-protective. The recommendation here is *additive optionality, not added burden*: DLCP should publish an alternative-pathway provision that recognizes a current MHIC license, a current Virginia Class A or Class B contractor license, or NASCLA accreditation as evidence of competency for the HIC endorsement. The substantive HIC requirements (bond, Clean Hands, liability insurance, background check, HIS licensing for salespersons) remain in place. Only the path to first issuance changes, and only for applicants who can already demonstrate qualified competency through an out-of-jurisdiction credential. This expands access to qualified out-of-state contractors without weakening any DC consumer-protection mechanism.

New Jersey (DCA / new Board). The new Board, when it develops the state-administered examination contemplated by P.L. 2023 c. 237, should adopt the NASCLA framework as the substantive examination rather than developing a separate state-

specific exam from scratch. This is the highest-leverage decision available to any state regulator in the Mid-Atlantic during this implementation window: it saves the state the recurring cost of independently developing, validating, and maintaining an examination; it gives New Jersey contractors a portable credential that immediately works in 22 other states; and it positions New Jersey to participate in any future Mid-Atlantic regional reciprocity framework on Day 1 of the Board's operational stand-up. The Board's authority to set every other parameter of contractor licensure — bond, insurance, registration fee, complaint investigation, disciplinary process — is unaffected.

New York (multi-jurisdictional). New York's decentralization is its current state, and creating a new statewide registry would itself be a new regulatory layer. A lower-cost path consistent with the editorial position of this whitepaper is *intra-state reciprocity among existing New York jurisdictions*: NYC DCWP, Nassau, Suffolk, Westchester, Rockland, and Putnam should establish mutual recognition of each other's HIC licenses, so that a contractor licensed in any one jurisdiction is presumed qualified in the others (subject only to local registration formalities). NYC DCWP, as the most rigorous of the existing regimes, should additionally consider accepting NASCLA accreditation or an active VA Class A/B license as alternative pathways to its 30-question HIC examination, again as additive optionality rather than as a substitute for any existing consumer-protection requirement. Finally, the existing NY Lien Law Article 3-A trust fund framework is one of the strongest in the country and underused in public-policy discussion; New York should publish annual Article 3-A enforcement statistics to make that strength more visible to legislators in other states considering similar frameworks.

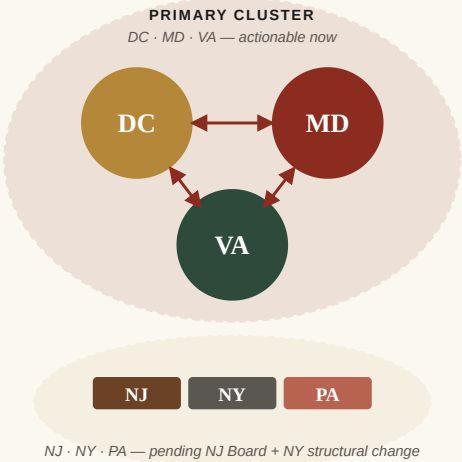
Pennsylvania (Office of Attorney General). Pennsylvania's Act 132 registration framework is consumer-protective on the contract-discipline dimension while remaining intentionally low-burden on the contractor — a combination this whitepaper supports preserving. The most contractor-friendly modernization step is *publish-and-link*: maintain the existing low-barrier registration framework, but add a public-facing notice that contractors holding a current NASCLA accreditation, a current Maryland MHIC license, or a current Virginia Class A/B contractor license meet a presumption of competency that consumers may consider when comparing bids. This costs Pennsylvania nothing;

preserves all existing Act 132 protections; and amplifies the value of out-of-state competency credentials without adding any new requirement to a Pennsylvania contractor. The \$50,000 minimum liability-insurance requirement and the one-third-plus-special-order-materials deposit cap should remain as enacted — the existing settings work and do not warrant change.

✦ **CHART 6** *Proposed regional reciprocity geography (left) and three-stage implementation pathway (right)*

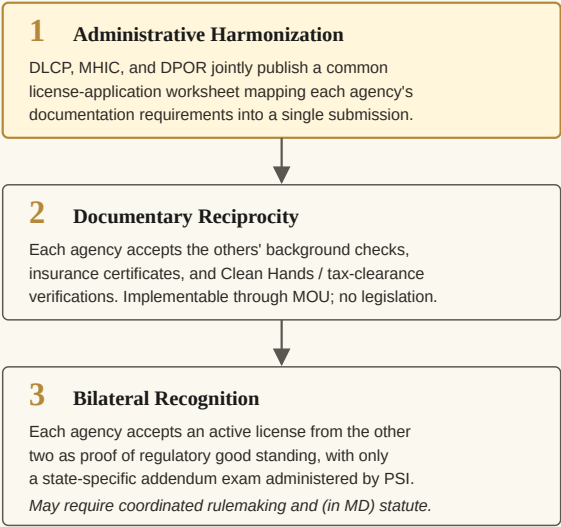
REGIONAL RECIPROCITY GEOGRAPHY

Primary cluster (DC-MD-VA) — actionable now.
Secondary cluster (NJ-NY-PA) — pending structural prerequisites.



THREE-STAGE IMPLEMENTATION PATHWAY

From paperwork harmonization to full bilateral recognition.



The primary DC-MD-VA cluster is actionable through DLCP, MHIC, and DPOR coordination without federal involvement. The secondary NJ-NY-PA cluster is structurally blocked at present: NJ is mid-implementation of P.L. 2023 c. 237; NY has no statewide license to reciprocate against; PA's Act 132 framework would need to incorporate an out-of-state-license recognition provision before bilateral recognition becomes operative. Stages 1 and 2 are administrative and require no legislative action. Stage 3 may require coordinated rulemaking by all three jurisdictions in the primary cluster, and possibly legislative authorization in Maryland where MHIC reciprocity authority is statutorily constrained.

4. Methodology and Sources

This whitepaper is built on two primary inputs: (1) GC Prep's curated, statute-anchored question corpus — the same corpus used to prepare candidates for licensure across the six jurisdictions — and (2) direct review of each state's published regulations, licensing-board materials, and current statutes as of Q2 2026.

4.1 Corpus Composition

The GC Prep corpus, as of the date of this whitepaper, contains **834 exam-prep questions distributed across 24 content sections** spanning the six jurisdictions, with the following breakdown:

STATE	SECTIONS	QUESTIONS	FREE-TIER SECTION
Maryland (MHIC)	3	120	MHIC Law
Virginia (DPOR)	4	160	VA Law & Reg
District of Columbia (DLCP)	3	144	DC HIC Law
New Jersey (DCA / Board)	5	130	NJ Law & Regulations
New York (decentralized)	5	160	NY Law & Regulations
Pennsylvania (Act 132)	4	120	PA HIC (Statewide)
Total	24	834	—

Each question follows a four-option multiple-choice format with single correct answer, includes a citation-anchored "why" explanation that traces the answer back to a specific statute, regulation, or agency-published material, and is offered in parallel English and

Spanish (the corpus is fully bilingual). Section-level free-tier exposure is consistent across states: each state's first section is offered without paid subscription, providing roughly 30–50 questions per state for unrestricted public access.

Practice depth vs. real exam length. Where a state operates a formal examination, GC Prep's corpus is intentionally larger than the live exam. The Maryland MHIC corpus (120 questions) is approximately 2× the MHIC contractors' examination (55 questions). The Virginia DPOR corpus (160 questions) is approximately 1.33× the combined Class A trade + business-and-law examinations (120 questions). The New York corpus (160 questions) substantially exceeds the NYC DCWP Home Improvement Examination (30 questions) because the corpus covers the broader New York regulatory landscape — including statewide Lien Law Article 3-A and the five-county HIC regimes — and not only the NYC exam. The intentional 1.5× to 5× ratio between corpus size and real-exam length allows candidates to encounter every topic from multiple angles, identify weak areas through repeated exposure, and reach the live exam having seen more material than the test draws from.

4.2 Statute Verification and the Dynamic-Content Advantage

For each statutory claim, deposit cap, bond amount, written-contract threshold, lien deadline, and reciprocity status referenced in Section 1, the controlling current statute or agency publication was reviewed directly between April and May 2026. In four of the six jurisdictions, that review surfaced material divergences between the live statute and widely-circulated industry-published exam-preparation materials:

- **Virginia.** Industry-published materials commonly cite a tiered bond structure (\$50K/\$25K/\$10K) keyed to Class A/B/C. Current statute is a single \$50,000 surety bond as an alternative to net worth. The September 2025 elimination of the Class A annual aggregate cap, and the July 2025 expansion of the Transaction Recovery

Fund (per-claim raised to \$30,000, biennial aggregate raised to \$100,000), are both recent enough that many study materials had not yet incorporated them as of Q2 2026.

- ▶ **District of Columbia.** Some industry-circulated materials still reference DCRA — renamed to DLCP in 2022 — and a \$10,000 HIC bond. The current DLCP requirement, on the agency's own Surety Bond Details page, is \$25,000.
- ▶ **New Jersey.** Pre-2023 materials reference a flat \$20,000 bond. The current framework (post-P.L. 2023 c. 237) is the tiered \$10K/\$25K/\$50K compliance bond, alongside the \$500,000-per-occurrence liability-insurance minimum codified at N.J.S.A. 56:8-142, and the new State Board of Home Improvement and Home Elevation Contractors was only partially seated in July 2025 — meaning many published study materials are still catching up to the active statutory framework.
- ▶ **New York.** Materials referring to a "New York Department of State HIC license" are categorically incorrect — no such statewide license exists. New York licensing is decentralized to NYC DCWP, five downstate counties, and (in most upstate jurisdictions) no licensing at all.

The Structural Observation

These divergences are not unique to any single publisher. They are a property of the *medium*. Paper study guides, PSI candidate bulletins, NASCLA examination blueprints, and similar print-and-PDF artifacts revise on slow editorial cycles — typically tied to legislative sessions, annual board review windows, or scheduled republication runs. The gap between when a state's law changes and when the corresponding exam-preparation materials catch up is, in several of the jurisdictions covered by this whitepaper, measured in months or years. During that gap, license candidates studying from current exam-prep materials are learning a body of knowledge that no longer matches the live statute their license will actually obligate them to follow.

Digitally-published, statute-anchored content platforms can close that gap. A platform that continuously monitors agency rulemaking notices, legislative bill text, and published

agency guidance — and ships corrected content to candidates within days of a change rather than waiting for the next bulletin revision cycle — delivers two material benefits to the licensing ecosystem:

1. **Candidates reach the licensing exam having studied the actual current law**, rather than a snapshot of the law from the last bulletin cycle. This benefits the candidate, the consumer who eventually hires the licensed contractor, and the state board itself — by reducing the volume of complaints arising from contractor unfamiliarity with current statutory requirements.

2. **Industry-wide knowledge currency improves.** When the dominant exam-preparation mechanism is a five-year-old printed study guide, statutory changes propagate to working contractors only slowly. When the dominant mechanism updates in days, statutory changes are in the hands of the next cohort of licensees immediately. This is a *systemic* benefit to consumer protection that operates beyond any individual contractor or any individual exam.

The structural advantage described here is not specific to GC Prep. Any digital platform with the editorial discipline to anchor every content item to a citation, and the operational discipline to monitor primary statutory sources continuously, can operate the same way. The structural *disadvantage* of paper-cycle materials, conversely, is also not specific to any one publisher; it is a property of the medium, and it is the binding constraint on industry knowledge currency today.

A Modest Recommendation to State Licensing Boards

To make the dynamic-content advantage maximally useful to the licensing ecosystem, state licensing boards could adopt one low-cost administrative practice: **publish a single canonical, digitally-maintained "current statutory summary" page per licensure category**, structured so that any third-party platform can reference an authoritative source for the current rule rather than reconstructing the picture from primary statute. Maryland's MHIC, Virginia's DPOR, the District's DLCP, and the new New Jersey Board

are all natural candidates. The page does not need to constitute the agency's full official position on every detail; it needs only to provide an unambiguous, citation-anchored, version-controlled reference that digital exam-preparation platforms can hold themselves accountable to. The result, system-wide, would be a tighter loop between *the law that exists* and *the body of knowledge candidates are tested against*.

4.3 Limitations

Three limitations should be noted:

1. **The corpus represents what is testable, not what is tested.** GC Prep's content reflects the topics that each state's regulatory framework either requires examination on (VA, MHIC, NYC HIC) or implicitly expects practitioners to know (the registration-only states). Section weighting is editorial, informed by candidate feedback and pass-rate data, but is not a literal mirror of any state's published exam blueprint.
2. **Statute is current as of Q2 2026 only.** Three of the six states have active legislative or regulatory activity that will materially change the content of this whitepaper within 12–24 months: New Jersey's Board implementation, New York City's continuing Local Law 97 phase-in, and Virginia's recently revised Transaction Recovery Fund parameters. A subsequent revision is anticipated in mid-2027.
3. **Federal overlays are referenced but not enumerated.** OSHA 29 CFR 1926, the EPA Renovation, Repair, and Painting (RRP) Rule, the Davis-Bacon Act, and the federal Miller Act each apply differently in each state. These federal frameworks are referenced where directly relevant but are not the subject of this whitepaper, which is focused on state-level regulatory architecture.

4.4 Citations

Statutory citations in Section 1 are anchored to:

- ▶ **Maryland:** Md. Code, Business Regulation Article, Title 8 (§§8-101 et seq.); MHIC Guaranty Fund regulations.
- ▶ **Virginia:** Code of Virginia, Title 54.1, Chapter 11 (§§54.1-1100 et seq.); 18 VAC 50-22; DPOR Board for Contractors rulemaking through 2025.
- ▶ **District of Columbia:** D.C. Official Code §47-2853 et seq.; D.C. Municipal Regulations Title 16, Chapter 8; DLCP HIC application materials.
- ▶ **New Jersey:** Contractors' Business Registration Act (N.J.S.A. 56:8-136 et seq.); P.L. 2023 c. 237 (Home Improvement and Home Elevation Contractor Licensing Act); N.J.A.C. 13:45A-16.
- ▶ **New York:** General Business Law Article 36-A (§§770 et seq.); NYC Administrative Code Title 20, Chapter 2, Subchapter 22; NY Lien Law Article 3-A; NYC Local Law 97 (2019), Local Law 196 (2017), Local Law 1 (2004); NY Labor Law §220, §240, §241.
- ▶ **Pennsylvania:** Home Improvement Consumer Protection Act, Act 132 of 2008 (73 P.S. §§517.1 et seq.); PA Uniform Construction Code (35 P.S. §7210.101 et seq.).

Federal frameworks cited: OSHA 29 CFR 1926; EPA RRP Rule (40 CFR Part 745); Davis-Bacon Act (40 U.S.C. §§3141 et seq.); Miller Act (40 U.S.C. §§3131–3134); HUD Section 3 (24 CFR Part 75).

Revision History

Revision 1.0 (May 2026). Original publication.

Revision 1.1 (June 2026). This revision:

- ▶ Corrects statutory citations and figures for several mechanics'-lien provisions: the Virginia filing deadline (90 days under Va. Code §43-4, with the 150-day period clarified as an inclusion look-back rather than a filing deadline), the Pennsylvania filing deadline (six months under 49 P.S. §1502), the New York single-family-dwelling distinction (NY Lien Law §10), and the New Jersey residential/non-residential split.
- ▶ Corrects deposit-cap and financial-responsibility provisions for Pennsylvania (one-third-plus-special-order-materials cap under 73 P.S. §517.9; minimum \$50,000 liability insurance in lieu of the previously stated surety bond) and New Jersey (one-third down-payment cap; clarified statutory attribution of the tiered compliance bond and the \$500,000 insurance minimum).
- ▶ Updates question-corpus statistics to current question-bank counts (section-level counts for the District of Columbia, New Jersey, and New York; total content sections corrected to 24) and revises the corresponding charts.
- ▶ Clarifies jurisdiction coverage to distinguish the six states analyzed here from the nine modules the platform now publishes.
- ▶ Restates certain Maryland items in appropriately qualified language pending confirmation from the Commission (examination mechanics and vendor, continuing-education hours, reciprocity arrangements, and the subcontractor license category), and corrects the Maryland written-contract rule (no dollar floor) and the District of Columbia insurance schedule (16 DCMR §803).
- ▶ Minor editorial corrections and internal-consistency fixes throughout.

The original edition is retained in the publisher's records and is available on request.

5. About GC Prep and MASONBYTE LLC

GC Prep (gcprep.app) is a multi-state contractor licensure exam-preparation platform operated by MASONBYTE LLC, a Service-Disabled Veteran-Owned Small Business headquartered in Accokeek, Maryland. The six jurisdictions analyzed in this whitepaper — Maryland, Virginia, the District of Columbia, New Jersey, New York, and Pennsylvania — form the core of the platform's coverage; as of this revision the platform publishes nine modules in total, adding a facilities / recreational-property contracting module and beta modules for North Carolina and South Carolina, with further state coverage planned. All content is statute-anchored, citation-traceable, and offered in parallel English and Spanish.

MASONBYTE LLC's construction practice operates as a Maryland General Contractor, an MDOT-certified Minority Business Enterprise, and an EPA Lead-Safe Certified Renovator. The firm performs work for the Housing Authority of Baltimore City (HABC), MDOT/SHA, and federal subcontracting partners, and brings that operational contracting perspective directly to the GC Prep content development process.

This whitepaper is published as part of GC Prep's continuing effort to support evidence-based discussion of state contractor licensing policy. The firm welcomes correspondence from state licensing boards, professional associations, and policy researchers at the contact information below.

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Forward-looking note. The content corpus from which this whitepaper draws also includes a parallel body of work on facilities, parks, camp, and recreational-property

contracting — a distinct regulatory domain that overlaps minimally with state GC licensing but is increasingly significant for the same regional contractor base. A follow-on whitepaper examining parks and facility contracting requirements (covering ACA accreditation, ADA accessibility, NFPA codes, Virginia Graeme Baker Pool & Spa Safety Act, and pool chemistry / HVAC sizing standards) is in development for publication later in 2026.

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