

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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SENATE BILL 395
Finance Committee Substitute Adopted 5/22/01

Short Title: Plumbing and Heating Contractors.

(Public)

Sponsors:

Referred to:

March 12, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND CERTAIN PROVISIONS UNDER THE LAWS
3 REGULATING PLUMBING AND HEATING CONTRACTORS AND TO
4 AUTHORIZE THE BOARD OF EXAMINERS OF PLUMBING, HEATING, AND
5 FIRE SPRINKLER CONTRACTORS TO INCREASE FEES.

6 The General Assembly of North Carolina enacts:

7 SECTION 1. G.S. 87-18 reads as rewritten:

8 "§ 87-18. **Organization meeting; officers; seal; rules; employment of**
9 **~~personnel.~~ personnel; acquire property.**

10 The Board ~~shall~~shall, within 30 days after its ~~appointment~~appointment, meet in the
11 City of Raleigh and organize, and ~~shall~~ elect a ~~chairman and secretary and~~chairman,
12 secretary, and treasurer, each to serve for one year. Thereafter ~~said~~the officers shall be
13 elected annually. The secretary and treasurer shall give bond approved by the Board for
14 the faithful performance of ~~his~~their ~~duties,~~duties in ~~such~~the sum as the Board may, from
15 time to ~~time~~time, determine. The Board shall have a common seal, shall formulate rules
16 to govern its actions, and is hereby authorized to employ ~~such~~ personnel as it may deem
17 necessary to carry out the provisions of this Article. The Board shall have the power to
18 acquire, hold, rent, encumber, alienate, and otherwise deal with real property in the
19 same manner as a private person or corporation, subject only to the approval of the
20 Governor and the Council of State. Collateral pledged by the Board for an encumbrance
21 is limited to the assets, income, and revenues of the Board."

22 SECTION 2. G.S. 87-21 reads as rewritten:

23 "§ 87-21. **Definitions; contractors licensed by Board; examination; posting license,**
24 **etc.**

25 (a) Definitions. – For the purpose of this Article:

26 (1) The word "plumbing" is hereby defined to be the system of pipes,
27 fixtures, apparatus and appurtenances, installed upon the premises, or
28 in a building, to supply water thereto and to convey sewage or other
29 waste therefrom.

- 1 (2) The phrase "heating, group number one" shall be deemed and held to
2 be the heating system of a building, which requires the use of high or
3 low pressure steam, vapor or hot water, including all piping, ducts, and
4 mechanical equipment appurtenant thereto, within, adjacent to or
5 connected with a building, for comfort heating.
- 6 (3) The phrase "heating, group number two" means an ~~air conditioning~~
7 ~~system which consists~~ integral system for heating or cooling a building
8 consisting of an assemblage of interacting components producing
9 conditioned air ~~for comfort cooling by the lowering of~~ to raise or lower
10 the temperature, and having a mechanical refrigeration capacity in
11 excess of fifteen tons, and which circulates air. Systems installed in
12 single-family residences are included under heating, group number
13 three, regardless of size. Holders of a heating, group three license who
14 have heretofore installed systems classified as heating, group two
15 systems may nevertheless service, replace, or make alterations to those
16 installed systems until June 30, 2004.
- 17 (4) The phrase "heating, group number three" shall be deemed and held to
18 be a direct heating or cooling system of a building ~~which produces~~
19 ~~heat to raise~~ that raises or lowers the temperature of the space within
20 the building for the purpose of comfort in which electric heating
21 elements or products of combustion exchange heat either directly with
22 the building supply air or indirectly through a heat exchanger ~~and~~
23 using an air distribution system of ~~ducts~~ ducts and having a mechanical
24 refrigeration capacity of 15 tons or less. A heating system requiring air
25 distribution ducts and supplied by ground water or utilizing a coil
26 supplied by water from a domestic hot water heater not exceeding 150
27 group number one license to extend piping from valved connections in
28 the domestic hot water system to the heating coil and requires either
29 heating group number one or heating group number three license for
30 installation of coil, duct work, controls, drains and related
31 appurtenances.
- 32 (5) Any person, firm or corporation, who for a valuable consideration, (i)
33 installs, alters or restores, or offers to install, alter or restore, either
34 plumbing, heating group number one, or heating group number two, or
35 heating group number three, or (ii) lays out, fabricates, installs, alters
36 or restores, or offers to lay out, fabricate, install, alter or restore fire
37 sprinklers, or any combination thereof, as defined in this Article, shall
38 be deemed and held to be engaged in the business of plumbing,
39 heating, or fire sprinkler contracting; provided, however, that nothing
40 herein shall be deemed to restrict the practice of qualified registered
41 professional engineers. Any person who installs a plumbing, heating,
42 or fire sprinkler system on property which at the time of installation

1 was intended for sale or to be used primarily for rental is deemed to be
2 engaged in the business of plumbing, heating, or fire sprinkler
3 contracting without regard to receipt of consideration, unless exempted
4 elsewhere in this Article.

5 (6) The word "contractor" is hereby defined to be a person, firm or
6 corporation engaged in the business of plumbing, heating, or fire
7 sprinkler contracting.

8 (7) The word "heating" shall be deemed and held to mean heating group
9 number one, heating group number two, heating group number three,
10 or any combination thereof.

11 (8) Repealed by Session Laws 1997-298, s. 1.

12 (9) The word "Board" means the State Board of Examiners of Plumbing,
13 Heating, and Fire Sprinkler Contractors.

14 (10) The word "experience" means actual and practical work directly
15 related to the category of plumbing, heating group number one,
16 heating group number two, heating group number three, or fire
17 sprinkler contracting, and includes related work for which a license is
18 not required.

19 (11) The phrase "fire sprinkler" means an automatic or manual sprinkler
20 system designed to protect the interior or exterior of a building or
21 structure from fire, and where the primary extinguishing agent is
22 water. These systems include wet pipe and dry pipe systems, preaction
23 systems, water spray systems, foam water sprinkler systems, foam
24 water spray systems, nonfreeze systems, and circulating closed-loop
25 systems. These systems also include the overhead piping, combination
26 standpipes, inside hose connections, thermal systems used in
27 connection with the sprinklers, tanks, and pumps connected to the
28 sprinklers, and controlling valves and devices for actuating an alarm
29 when the system is in operation. This subsection shall not apply to
30 owners of property who are building or improving farm outbuildings.
31 This subsection shall not include water and standpipe systems having
32 no connection with a fire sprinkler system. Nothing herein shall
33 prevent licensed plumbing contractors, utility contractors, or fire
34 sprinkler contractors from installing underground water supplies for
35 fire sprinkler systems.

36 (b) Classes of Licenses; Eligibility and Examination of Applicant; Necessity for
37 License. –

38 (1) In order to protect the public health, comfort and safety, the Board
39 shall establish two classes of licenses: Class I covering all plumbing,
40 heating, and fire sprinkler systems for all structures, and Class II
41 covering plumbing and heating systems in single-family detached
42 residential dwellings.

- 1 (2) ~~Effective April 15, 1998, the~~The Board shall establish and issue a fuel
2 piping license for use by persons who do not possess the required
3 Class I or Class II plumbing or heating license, but desire to engage in
4 the contracting or installing of fuel piping extending from an approved
5 fuel source at or near the premises, which piping is used or may be
6 used ~~partly or entirely~~ to supply fuel to ~~plumbing or heating systems or~~
7 ~~equipment or which, by its installation, may alter or affect the fuel~~
8 ~~supply to plumbing or heating systems or equipment within the~~
9 ~~meaning of G.S. 87-21(a).~~any systems, equipment, or appliances
10 located inside the premises.

11 The Board may also establish additional restricted classifications to
12 provide for: (i) the licensing of any person, partnership, firm, or
13 corporation desiring to engage in a specific phase of heating,
14 plumbing, or fire sprinkling contracting; (ii) the licensing of any
15 person, partnership, firm, or corporation desiring to engage in a
16 specific phase of heating, plumbing, or fire sprinkling contracting that
17 is an incidental part of their primary business, which is a lawful
18 business other than heating, plumbing, or fire sprinkling contracting;
19 or (iii) the licensing of persons desiring to engage in contracting and
20 installing fuel piping from an approved fuel source on the premises to
21 a point inside the residence.

- 22 (3) The Board shall prescribe the standard of competence, experience and
23 efficiency to be required of an applicant for license of each class, and
24 shall give an examination designed to ascertain the technical and
25 practical knowledge of the applicant concerning the analysis of plans
26 and specifications, estimating costs, fundamentals of installation and
27 design, codes, fire hazards, and related subjects as these subjects
28 pertain to plumbing, heating, or fire sprinkler systems. The
29 examination for a fire sprinkler contractor's license shall include such
30 materials as would test the competency of the applicant and which may
31 include the minimum requirements of certification for Level III,
32 subfield of Automatic Sprinkler System Layout, National Institute for
33 Certification of Engineering Technologies (NICET). As a result of the
34 examination, the Board shall issue a certificate of license of the
35 appropriate class in plumbing, heating, or fire sprinkler contracting,
36 and a license shall be obtained, in accordance with the provisions of
37 this Article, before any person, firm or corporation shall engage in, or
38 offer to engage in, the business of plumbing, heating, or fire sprinkler
39 contracting, or any combination thereof. The obtaining of a license, as
40 required by this Article, shall not of itself authorize the practice of
41 another profession or trade for which a State qualification license is
42 required. Prior to taking the examination, the Board may require an

1 applicant to establish that he or she is at least 18 years of age and is of
2 good moral character. The Board may require experience as a
3 condition of examination, provided that (i) the experience required
4 may not exceed two years, (ii) that up to one-half the experience may
5 be in the form of academic or technical courses of study, and (iii) that
6 registration is not required at the commencement of the period of
7 experience.

8 (4) Conditions of examination set by the Board shall be uniformly applied
9 to each applicant within each license classification. It is the purpose
10 and intent of this section that the Board shall provide an examination
11 for plumbing, heating group number one, or heating group number
12 two, or heating group number three, or each restricted classification,
13 and may provide an examination for fire sprinkler contracting or may
14 accept a current certification of the National Institute for Certification
15 in Engineering Technologies for Fire Protection Engineering
16 Technician, Level III, subfield of Automatic Sprinkler System Layout.

17 (5) The Board is authorized to issue a certificate of license limited to
18 either plumbing or heating group number one, or heating group
19 number two, or heating group number three, or fire sprinkler
20 contracting, or any combination thereof. The Board is also authorized
21 to issue a certificate of license limited to one or more restricted
22 classifications that are established pursuant to this section.

23 (6) ~~Each application for examination shall be accompanied by a check,~~
24 ~~post office money order, or cash, in the amount of the annual license~~
25 ~~fee required by this Article. Regular examinations~~Examinations
26 ~~shall be given in the months of April and October of at least twice each year,~~
27 and additional examinations may be given ~~at such other times as the~~
28 ~~Board may deem~~deems wise and necessary. ~~Any person may demand~~
29 ~~in writing a special examination, and upon payment by the applicant of~~
30 ~~the cost of holding such examination and the deposit of the amount of~~
31 ~~the annual license fee, the Board in its discretion will fix a time and~~
32 ~~place for such examination. Upon satisfactory proof of the applicant's~~
33 ~~inability to write and upon demand of an applicant for a Class II~~
34 ~~plumbing or heating license six weeks prior to an examination, the~~
35 ~~Board shall conduct the examination of that applicant orally, and shall~~
36 ~~not require that applicant to take a written examination as to~~
37 ~~examination inquiries answered other than by preparation of diagrams.~~
38 ~~Signed statements from two reliable citizens resident in the home~~
39 ~~county of the applicant shall constitute satisfactory proof of an~~
40 ~~applicant's inability to write.~~The Board may offer written examinations
41 or administer examinations by computer within 30 days after
42 approving an application. Upon passing the examination and paying

1 the annual license fee, the Board shall issue a license to the applicant.
2 A person who fails to pass any examination shall not be reexamined
3 until the next regular examination after 90 days from the date the
4 person was last examined. The Board may require applicants who fail
5 the examination three times to receive additional education before the
6 applicant is allowed to retake the examination.

7 (c) To Whom Article Applies. – The provisions of this Article shall apply to all
8 persons, firms, or corporations who engage in, or attempt to engage in, the business of
9 plumbing, heating, or fire sprinkler contracting, or any combination thereof as defined
10 in this Article. The provisions of this Article shall not apply to those who make minor
11 repairs or minor replacements to an already installed system of plumbing or heating, but
12 shall apply to those who make repairs, replacements, or modifications to an already
13 installed fire sprinkler system.

14 (c1) Exemption. – The provisions of this Article shall not apply to a person who
15 performs the on-site assembly of a factory designed drain line system for a
16 manufactured home, as defined in G.S. 143-143.9(6), if the person (i) is a licensed
17 manufactured home retailer, a licensed manufactured home set-up contractor, or a
18 full-time employee of either, (ii) obtains an inspection by the local inspections
19 department and (iii) performs the assembly according to the State Plumbing Code.

20 (d) Repealed by Session Laws 1979, c. 834, s. 7.

21 (d1) Expired.

22 (e) Posting License; License Number on Contracts, etc. – The current license
23 issued in accordance with the provisions of this Article shall be posted in the business
24 location of the licensee, and its number shall appear on all proposals or contracts and
25 requests for permits issued by municipalities. The initial qualified licensee on a license
26 is the permanent possessor of the license number under which that license is issued,
27 except that a licensee, or the licensee's legal agent, personal representative, heirs or
28 assigns, may designate in writing to the Board a qualified licensee to whom the Board
29 shall assign the license number upon the payment of a ten dollar (\$10.00) assignment
30 fee. Upon such assignment, the qualified licensee becomes the permanent possessor of
31 the assigned license number. Notwithstanding the foregoing, the license number may be
32 assigned only to a qualified licensee who has been employed by the initial licensee's
33 plumbing and heating company for at least 10 years or is a lineal relative, sibling, first
34 cousin, nephew, niece, daughter-in-law, son-in-law, brother-in-law, or sister-in-law of
35 the initial licensee. Each successive licensee to whom a license number is assigned
36 under this subsection may assign the license number in the same manner as provided in
37 this subsection.

38 (f) Repealed by Session Laws 1971, c. 768, s. 4.

39 (g) The Board may, in its discretion, grant to plumbing, heating, or fire sprinkler
40 contractors licensed by other states license of the same or equivalent classification
41 without written examination upon receipt of satisfactory proof that the qualifications of

1 such applicants are substantially equivalent to the qualifications of holders of similar
2 licenses in North Carolina and upon payment of the usual license fee.

3 (h) Expired."

4 **SECTION 3.** G.S. 87-22 reads as rewritten:

5 "**§ 87-22. License fee based on population; fee; expiration and renewal; penalty-**
6 **reinstatement.**

7 All persons, firms, or corporations engaged in the business of either plumbing or
8 heating contracting, or both, ~~in cities or towns of 10,000 inhabitants or more~~ shall pay
9 an annual license fee not ~~exceeding seventy five dollars (\$75.00), and in cities or towns~~
10 ~~of less than 10,000 inhabitants an annual license fee not exceeding fifty dollars~~
11 ~~(\$50.00), to exceed one hundred fifty dollars (\$150.00).~~ The annual fee for a piping or
12 restricted classification license shall not exceed that for a plumbing or heating license.
13 All persons, firms, or corporations engaged in the business of fire sprinkler contracting
14 shall pay an initial application fee not to exceed seventy-five dollars (\$75.00) and an
15 annual license fee not to exceed three hundred dollars (\$300.00). In the event the Board
16 refuses to license an applicant, the license fee deposited shall be returned by the Board
17 to the applicant. All licenses shall expire on the last day of December in each year
18 following their issuance or renewal. It shall be the duty of the secretary and treasurer to
19 ~~cause to be mailed~~ send by U.S. mail or e-mail to every licensee registered ~~hereunder~~
20 with the Board, notice to the licensee's last known address reflected on the records of
21 the Board of the amount of fee required for renewal of license, ~~such~~ the notice to be
22 mailed at least one month in advance of the expiration of the license. The Board may
23 require payment of all unpaid annual fees before reissuing a license. In the event of
24 failure on the part of any person, firm or corporation to renew the license certificate
25 annually and pay the required fee ~~therefor~~ during the month of January in each year, the
26 Board shall increase the license fee ~~ten per centum (10%) for each month or fraction of~~
27 ~~a month that payment is delayed; provided that the penalty for nonpayment shall not~~
28 ~~exceed the amount of the annual fee, and provided further that they~~ twenty-five dollars
29 (\$25.00) to cover any additional expense associated with late renewal. The Board
30 ~~requires~~ shall require reexamination upon failure of a licensee to renew license within
31 three years after expiration. The Board may adopt regulations requiring attendance at
32 programs of continuing education as a condition of license renewal. A licensee
33 employed full time as a local government plumbing, heating, or mechanical inspector
34 and holding qualifications from the Code Officials Qualifications Board may renew the
35 license at a fee not to exceed twenty-five dollars (\$25.00)."

36 **SECTION 4.** G.S. 87-22.1 reads as rewritten:

37 "**§ 87-22.1. Examination fees; funds disbursed upon warrant of chairman and**
38 **secretary-treasurer.**

39 The Board shall charge ~~an~~ a nonrefundable application and examination fee not
40 ~~exceeding to exceed fifty dollars (\$50.00)~~ one hundred fifty dollars (\$150.00) for each
41 ~~regular examination provided,~~ examination, and ~~such~~ the funds collected shall be
42 disbursed upon warrant of the chairman and secretary-treasurer, to partially defray

1 general expenses of the Board. ~~Such~~The application and examination fee shall be
2 retained by the Board ~~irrespective of~~ whether or not the applicant is granted a license."

3 **SECTION 5.** Notwithstanding G.S. 87-22 and G.S. 87-22.1, as enacted in
4 Sections 3 and 4 of this act, after this act becomes effective and until changed by
5 permanent rule of the Board, the annual license fee shall be one hundred dollars
6 (\$100.00) and the application and examination fee shall be eighty dollars (\$80.00).

7 **SECTION 6.** This act is effective when it becomes law.