

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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HOUSE BILL 648

Short Title: Improve Enforcement/General Contractor Laws. (Public)

Sponsors: Representatives Hastings and Hager (Primary Sponsors).  
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Commerce and Job Development, if favorable, Judiciary Subcommittee B.

April 6, 2011

A BILL TO BE ENTITLED

AN ACT TO CLARIFY AND AMEND THE LAWS PERTAINING TO EXCEPTIONS AND  
BUILDING PERMITS AS RELATED TO GENERAL CONTRACTORS.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 87-1 reads as rewritten:

**"§ 87-1. "General contractor" defined; exceptions.**

(a) For the purpose of this Article any person or firm or corporation who for a fixed price, commission, fee, or wage, undertakes to bid upon or to construct or who undertakes to superintend or manage, on his own behalf or for any person, firm, or corporation that is not licensed as a general contractor pursuant to this Article, the construction of any building, highway, public utilities, grading or any improvement or structure where the cost of the undertaking is thirty thousand dollars (\$30,000) or more, or undertakes to erect a North Carolina labeled manufactured modular building meeting the North Carolina State Building Code, shall be deemed to be a "general contractor" engaged in the business of general contracting in the State of North Carolina.

(b) This section shall not apply to the following:

(1) ~~persons or firms~~Persons, firms, or corporations furnishing or erecting industrial equipment, power plan equipment, radial brick chimneys, and monuments.

(2) ~~This section shall not apply to any person or firm~~Any person, firm, or corporation who constructs or alters a building on land owned by that person, ~~firm~~firm, or corporation provided ~~such~~(i) the building is intended solely for occupancy by that person and his family, firm, or corporation after completion; and ~~provided further that, if such~~ (ii) the person, firm, or corporation complies with G.S. 87-14. If the building is not occupied solely by ~~such~~the person and his family, firm, or corporation for at least 12 months following completion, it shall be presumed that the person, firm, or corporation did not intend ~~such~~the building solely for occupancy by that person and his family, firm, or corporation.

(3) ~~This section shall not apply to any~~Any person engaged in the business of farming who constructs or alters a building on land owned by that person and used in the business of farming, when ~~such~~the building is intended for use by that person after completion."

**SECTION 2.** G.S. 87-14 reads as rewritten:

**"§ 87-14. Regulations as to issue of building permits.**



1 (a) Any person, ~~firm~~firm, or corporation, upon making application to the building  
 2 inspector or such other authority of any incorporated city, ~~town~~town, or county in North  
 3 Carolina charged with the duty of issuing building or other permits for the construction of any  
 4 building, highway, sewer, ~~grading~~grading, or any improvement or structure where the cost  
 5 thereof is to be thirty thousand dollars (\$30,000) or more, shall, before ~~he~~being entitled to  
 6 the issuance of ~~such permit~~a permit, satisfy the following:

7 (1) ~~furnish~~Furnish satisfactory proof to ~~such~~the inspector or authority that ~~he~~  
 8 the person seeking the permit or another person contracting to superintend or  
 9 manage the construction is duly licensed under the terms of this Article to  
 10 carry out or superintend the ~~same~~construction or is exempt from licensure  
 11 under G.S. 87-1(b). If an applicant claims an exemption from licensure  
 12 pursuant to G.S. 87-1(b)(2), the applicant for the building permit shall  
 13 execute a verified affidavit attesting to the following:

14 a. That the person is the owner of the property on which the building is  
 15 being constructed or, in the case of a firm or corporation, is legally  
 16 authorized to act on behalf of the firm or corporation.

17 b. That the person will personally superintend and manage all aspects of  
 18 the construction of the building and that the duty will not be  
 19 delegated to any other person not duly licensed under the terms of  
 20 this Article.

21 c. That the person will be personally present for all inspections required  
 22 by the North Carolina State Building Code.

23 The building inspector or other authority shall transmit a copy of the  
 24 affidavit to the Board who shall verify that the applicant was validly entitled  
 25 to claim the exemption under G.S. 87-1(b)(2). If the Board determines that  
 26 the applicant was not entitled to claim the exemption under G.S. 87-1(b)(2),  
 27 the building permit shall be revoked pursuant to G.S. 153A-362 or  
 28 G.S. 160A-422.

29 (2) ~~and that he~~Furnish proof that the person has paid the license tax required by  
 30 the Revenue Act of the State of North Carolina then in force so as to be  
 31 qualified to bid upon or contract for the work for which the permit has been  
 32 applied, and that ~~he~~applied.

33 (3) Furnish proof that the person has in effect Workers' Compensation insurance  
 34 as required by Chapter 97 of the General ~~Statutes~~Statutes.

35 (b) ~~and it~~It shall be unlawful for ~~such~~the building inspector or other authority to issue  
 36 or allow the issuance of ~~such~~a building permit pursuant to this section unless and until the  
 37 applicant has furnished evidence that ~~he~~the applicant is either exempt from the provisions of  
 38 ~~this Article~~Article and, if applicable, fully complied with the provisions of subdivision (a)(1)  
 39 of this section, or is duly licensed under this Article to carry out or superintend the work for  
 40 which permit has been applied; and further, that the applicant has paid the license tax required  
 41 by the State Revenue Act then in force so as to be qualified to bid upon or contract for the work  
 42 covered by the permit; and further, that the applicant has in effect Workers' Compensation  
 43 insurance as required by Chapter 97 of the General Statutes. Any building inspector or other  
 44 ~~such~~authority who is subject to and violates the terms of this section shall be guilty of a Class  
 45 3 misdemeanor and subject only to a fine of not more than fifty dollars (\$50.00)."

46 **SECTION 3.** G.S. 153A-360 reads as rewritten:

47 "**§ 153A-360. Inspections of work in progress.**

48 As the work pursuant to a permit progresses, local inspectors shall make as many  
 49 inspections of the work as may be necessary to satisfy them that it is being done according to  
 50 the provisions of the applicable State and local laws and local ordinances and regulations and  
 51 of the terms of the permit. In exercising this power, each member of the inspection department

1 has a right, upon presentation of proper credentials, to enter on any premises within the  
2 territorial jurisdiction of the department at any reasonable hour for the purposes of inspection or  
3 other enforcement action. If a permit has been obtained by an owner pursuant to  
4 G.S. 87-1(b)(2), no inspection shall be conducted without the owner being personally present."

5 **SECTION 4.** G.S. 160A-420 reads as rewritten:

6 "**§ 160A-420. Inspections of work in progress.**

7 As the work pursuant to a permit progresses, local inspectors shall make as many  
8 inspections thereof as may be necessary to satisfy them that the work is being done according  
9 to the provisions of any applicable State and local laws and of the terms of the permit. In  
10 exercising this power, members of the inspection department shall have a right to enter on any  
11 premises within the jurisdiction of the department at all reasonable hours for the purposes of  
12 inspection or other enforcement action, upon presentation of proper credentials. If a permit has  
13 been obtained by an owner pursuant to G.S. 87-1(b)(2), no inspection shall be conducted  
14 without the owner being personally present."

15 **SECTION 5.** This act is effective when it becomes law.