

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 648
Committee Substitute Favorable 4/20/11
Senate Commerce Committee Substitute Adopted 6/14/11

Short Title: Improve Enforcement/General Contractor Laws.

(Public)

Sponsors:

Referred to:

April 6, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY AND AMEND THE LAWS PERTAINING TO EXCEPTIONS AND
3 BUILDING PERMITS AS RELATED TO GENERAL CONTRACTORS.

4 The General Assembly of North Carolina enacts:

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

6 "§ 87-1. "General contractor" defined; exceptions.

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

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

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

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

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

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

35 "§ 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, unless the plans for the
23 building were drawn and sealed by an architect licensed pursuant to
24 Chapter 83A of the General Statutes.

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

31 (2) ~~and that he has paid the license tax required by the Revenue Act of the State~~
32 ~~of North Carolina then in force so as to be qualified to bid upon or contract~~
33 ~~for the work for which the permit has been applied, and that he~~ Furnish
34 proof that the person has in effect Workers' Compensation insurance as
35 required by Chapter 97 of the General Statutes; Statutes.

36 (b) ~~and it~~ shall be unlawful for ~~such~~the building inspector or other authority to issue
37 or allow the issuance of ~~such~~a building permit pursuant to this section unless and until the
38 applicant has furnished evidence that ~~he~~the applicant is either exempt from the provisions of
39 this ~~Article~~Article and, if applicable, fully complied with the provisions of subdivision (a)(1)
40 of this section, or is duly licensed under this Article to carry out or superintend the work for
41 which permit has been applied; ~~and further, that the applicant has paid the license tax required~~
42 ~~by the State Revenue Act then in force so as to be qualified to bid upon or contract for the work~~
43 ~~covered by the permit;~~ and further, that the applicant has in effect Workers' Compensation
44 insurance as required by Chapter 97 of the General Statutes. Any building inspector or other
45 ~~such~~ authority who is subject to and violates the terms of this section shall be guilty of a Class
46 3 misdemeanor and subject only to a fine of not more than fifty dollars (\$50.00)."

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

48 "**§ 153A-360. Inspections of work in progress.**

49 As the work pursuant to a permit progresses, local inspectors shall make as many
50 inspections of the work as may be necessary to satisfy them that it is being done according to
51 the provisions of the applicable State and local laws and local ordinances and regulations and

1 of the terms of the permit. In exercising this power, each member of the inspection department
2 has a right, upon presentation of proper credentials, to enter on any premises within the
3 territorial jurisdiction of the department at any reasonable hour for the purposes of inspection or
4 other enforcement action. If a permit has been obtained by an owner exempt from licensure
5 under G.S. 87-1(b)(2), no inspection shall be conducted without the owner being personally
6 present, unless the plans for the building were drawn and sealed by an architect licensed
7 pursuant to Chapter 83A of the General Statutes."

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

9 **"§ 160A-420. Inspections of work in progress.**

10 As the work pursuant to a permit progresses, local inspectors shall make as many
11 inspections thereof as may be necessary to satisfy them that the work is being done according
12 to the provisions of any applicable State and local laws and of the terms of the permit. In
13 exercising this power, members of the inspection department shall have a right to enter on any
14 premises within the jurisdiction of the department at all reasonable hours for the purposes of
15 inspection or other enforcement action, upon presentation of proper credentials. If a permit has
16 been obtained by an owner exempt from licensure under G.S. 87-1(b)(2), no inspection shall be
17 conducted without the owner being personally present, unless the plans for the building were
18 drawn and sealed by an architect licensed pursuant to Chapter 83A of the General Statutes."

19 **SECTION 5.** G.S. 87-10(e) reads as rewritten:

20 "(e) A certificate of license shall expire on the thirty-first day of December following its
21 issuance or renewal and shall become invalid 60 days from that date unless renewed, subject to
22 the approval of the Board. Renewals may be effected any time during the month of January
23 without reexamination, by the payment of a fee to the secretary of the Board. The fee shall not
24 exceed one hundred twenty-five dollars (\$125.00) for an unlimited license, one hundred dollars
25 (\$100.00) for an intermediate license, and seventy-five dollars (\$75.00) for a limited license.
26 No later than November 30 of each year, the Board shall mail written notice of the amount of
27 the renewal fees for the upcoming year to the last address of record for each general contractor
28 licensed pursuant to this Article. Renewal applications shall be accompanied by evidence of
29 continued financial responsibility satisfactory to the Board. Renewal applications received by
30 the Board after January shall be accompanied by a late payment of ten dollars (\$10.00) for each
31 month or part after January. After a lapse of ~~two~~ four years no renewal shall be effected and the
32 applicant shall fulfill all requirements of a new applicant as set forth in this section."

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