

April 15, 1999

H 1254. HOMEBUILDER RESPONSIBILITY. TO STRENGTHEN THE LAWS REGULATING GENERAL CONTRACTORS AND TO INCREASE THE LICENSURE REQUIREMENTS FOR RESIDENTIAL BUILDING CONTRACTORS.

General contractor laws. Lowers threshold value for structural improvements that trigger statutory general contractor status to \$5,000 (was, \$30,000). Expands sanctions power of State Licensing Board for General Contractors (Board) to include suspension and nonrenewal of licenses and expands grounds for sanctions. Authorizes Board to issue civil penalties against licensees.

Requires code enforcement officials who discover building code violations within ten years of issuance of a certificate of compliance to notify the Board. Raises fees for building inspections.

Residential contractor licensing. Creates new Article 1B in GS Ch. 87 to add licensing requirements for residential construction, including minimum experience levels for persons receiving general contractor certificates after Jan. 1, 2000. Requires warranties on sales of all newly constructed homes: for one year, warranting the dwelling to be free from defects caused by faulty workmanship and defective materials due to noncompliance with building standards or code; for two years, warranting the dwelling to be free from defects caused by faulty installation of plumbing, electrical, heating and cooling systems; and for ten years, warranting the dwelling to be free from major construction defects. Voids any agreement to waive, release or commute these warranty periods. Requires general contractors who work on new residential home to maintain commercial general liability insurance or professional liability insurance of at least one million dollars. Requires homebuilders to list their license numbers in ads. Authorizes Board to suspend, revoke or not renew licenses to contractors who have a substantial identity of interest with other contractors who have lost their license. Effective Jan. 1, 2000.

Intro. by Earle.

Ref. to Rules

GS 87