

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

H

D

HOUSE BILL 648
Committee Substitute Favorable 4/20/11
PROPOSED SENATE COMMITTEE SUBSTITUTE H648-PCS30395-TD-45

Short Title: Improve Enforcement/General Contractor Laws.

(Public)

Sponsors:

Referred to:

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



* H 6 4 8 - P C S 3 0 3 9 5 - T D - 4 5 *

1 and used in the business of farming, when ~~such the~~ building is intended for
2 use by that person after completion."

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

4 "**§ 87-14. Regulations as to issue of building permits.**

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

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

18 a. ~~That the person is the owner of the property on which the building is~~
19 ~~being constructed or, in the case of a firm or corporation, is legally~~
20 ~~authorized to act on behalf of the firm or corporation.~~

21 b. ~~That the person will personally superintend and manage all aspects of~~
22 ~~the construction of the building and that the duty will not be~~
23 ~~delegated to any other person not duly licensed under the terms of~~
24 ~~this Article.~~

25 c. ~~That the person will be personally present for all inspections required~~
26 ~~by the North Carolina State Building Code, unless the plans for the~~
27 ~~building were drawn and sealed by an architect licensed pursuant to~~
28 ~~Chapter 83A of the General Statutes.~~

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

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

40 (b) ~~and it~~ shall be unlawful for ~~such the~~ building inspector or other authority to issue
41 or allow the issuance of ~~such a~~ building permit pursuant to this section unless and until the
42 applicant has furnished evidence that ~~he the~~ applicant is either exempt from the provisions of
43 ~~this Article-Article~~ and, if applicable, fully complied with the provisions of subdivision (a)(1)
44 of this section, or is duly licensed under this Article to carry out or superintend the work for
45 which permit has been applied; ~~and further, that the applicant has paid the license tax required~~
46 ~~by the State Revenue Act then in force so as to be qualified to bid upon or contract for the work~~
47 ~~covered by the permit;~~ and further, that the applicant has in effect Workers' Compensation
48 insurance as required by Chapter 97 of the General Statutes. Any building inspector or other
49 ~~such~~ authority who is subject to and violates the terms of this section shall be guilty of a Class
50 3 misdemeanor and subject only to a fine of not more than fifty dollars (\$50.00)."

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

1 **"§ 153A-360. Inspections of work in progress.**

2 As the work pursuant to a permit progresses, local inspectors shall make as many
3 inspections of the work as may be necessary to satisfy them that it is being done according to
4 the provisions of the applicable State and local laws and local ordinances and regulations and
5 of the terms of the permit. In exercising this power, each member of the inspection department
6 has a right, upon presentation of proper credentials, to enter on any premises within the
7 territorial jurisdiction of the department at any reasonable hour for the purposes of inspection or
8 other enforcement action. If a permit has been obtained by an owner exempt from licensure
9 under G.S. 87-1(b)(2), no inspection shall be conducted without the owner being personally
10 present, unless the plans for the building were drawn and sealed by an architect licensed
11 pursuant to Chapter 83A of the General Statutes."

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

13 **"§ 160A-420. Inspections of work in progress.**

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

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

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

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