

GENERAL ASSEMBLY OF NORTH CAROLINA
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SENATE BILL DRS15454-NNf-72

Short Title: Construction Inspection Efficiency Act. (Public)

Sponsors: Senators Chaudhuri and Lee (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE OWNERS, PERMIT HOLDERS, CONTRACTORS LISTED ON
3 A PERMIT, AND AUTHORIZED AGENTS TO USE CERTIFIED AND REGISTERED
4 PRIVATE CONSTRUCTION INSPECTORS OR REGISTERED PRIVATE
5 CONSTRUCTION INSPECTION FIRMS FOR RESIDENTIAL AND COMMERCIAL
6 BUILDINGS AND STRUCTURES WHEN A LOCAL INSPECTION DEPARTMENT
7 FAILS TO CONDUCT A REQUESTED INSPECTION WITHIN TEN BUSINESS DAYS
8 OR BY AN AGREED-UPON DATE, AND TO ESTABLISH REQUIREMENTS FOR
9 QUALIFICATION, REGISTRATION, REPORTING, CONFLICTS OF INTEREST, FEES,
10 FORMS, FEE RECONCILIATION, AND PRIVATE CERTIFICATES OF STATE
11 BUILDING CODE COMPLIANCE RELATED TO PRIVATE CONSTRUCTION
12 INSPECTIONS.

13 The General Assembly of North Carolina enacts:

14
15 **PART I. PRIVATE CONSTRUCTION INSPECTOR CERTIFICATION AND**
16 **REGISTRATION**

17 **SECTION 1.1.** G.S. 143-151.8 reads as rewritten:

18 **"§ 143-151.8. Definitions.**

19 (a) The following definitions apply in this Article:

20 ...

21 (3) Code enforcement. – The examination and approval of plans and
22 specifications, the inspection of the manner of construction, workmanship,
23 and materials for construction of buildings and structures and their
24 components, or the enforcement of fire code regulations by any of the
25 following, to assure compliance with the North Carolina State Building Code
26 and related local building rules:

27 ...

28 (3a) Commercial building or structure. – A building or structure, including a
29 multifamily development project, that is subject to regulation under the North
30 Carolina Building Code and is not subject to regulation under the North
31 Carolina Residential Code.

32 (4) Local inspection department. – The agency or agencies of local government,
33 or any government agency of a federally recognized Indian Tribe, with
34 authority to make inspections of buildings and to enforce the Code and other
35 laws, ordinances, and rules enacted by the State, a local government, or a
36 federally recognized Indian Tribe.



1 (4a) Private construction inspection. – An inspection by a private construction
 2 inspector, for compliance with the North Carolina State Building Code, of the
 3 manner of construction, workmanship, and materials for the construction,
 4 reconstruction, alteration, repair, movement, installation, or extension of a
 5 residential building or structure or commercial building or structure, including
 6 the building's or structure's components and elements. The term does not
 7 include inspection or enforcement of Code provisions pertaining to boilers or
 8 elevators the administration and enforcement of which is allocated to the State
 9 Department of Labor under G.S. 143-139(c) or (d), and does not include
 10 inspection for compliance with zoning, subdivision, stormwater, erosion and
 11 sedimentation control, driveway, utility, fire prevention system acceptance
 12 testing or approval, or other local or State law that is not part of the North
 13 Carolina State Building Code.

14 (4b) Private construction inspection firm. – A firm, partnership, corporation,
 15 limited liability company, association, or other legal entity registered under
 16 this Article to offer or provide private construction inspections through one or
 17 more private construction inspectors.

18 (4c) Private construction inspector. – An individual who is certified and registered
 19 under this Article to engage in private construction inspections.

20 (5) Qualified Code-enforcement official. – A person qualified under this Article
 21 to engage in the practice of Code enforcement.

22 (6) Residential building or structure. – A building or structure subject to
 23 regulation under the North Carolina Residential Code.

24 (b) For purposes of this Article, the population of a city or county is determined according
 25 to the most current federal census, unless otherwise specified.

26 (c) For purposes of this Article, "willful misconduct, gross negligence, or gross
 27 incompetence" in addition to the meaning of those terms under other provisions of the General
 28 Statutes or at common law, includes any of the following:

- 29 ...
- 30 (7) Enforcing a Code official's preference in the method or manner of installation
 31 of heating ventilation and air-conditioning units, appliances, or equipment if
 32 it is not required by the State Building Code and is in contradiction of a
 33 manufacturer's installation instructions or specifications.
- 34 (8) Refusing, without authority under Article 11 of Chapter 160D of the General
 35 Statutes, to accept a private construction inspection report or private certificate
 36 of State Building Code compliance that is required to be accepted under that
 37 Article."

38 **SECTION 1.2.** G.S. 143-151.12 reads as rewritten:

39 **"§ 143-151.12. Powers.**

40 In addition to powers conferred upon the Board elsewhere in this Article, the Board has the
 41 power to do the following:

- 42 (1) Adopt rules necessary to administer this Article.
- 43 (1a) Require State agencies, local inspection departments, and local governing
 44 bodies to submit reports and information about the employment, education,
 45 and training of Code-enforcement officials.
- 46 (2) Establish minimum standards for employment as a Code-enforcement official:
 47 (i) in probationary or temporary status, and (ii) in permanent positions.
- 48 (3) Certify persons as being qualified under the provisions of this Article to be
 49 Code-enforcement officials, including persons employed by a federally
 50 recognized Indian Tribe to perform inspections on tribal lands.

- 1 (3a) Certify persons as being qualified under the provisions of this Article to be
2 North Carolina State Building Code Permit Technicians.
- 3 (3b) Certify and register individuals as being qualified under the provisions of this
4 Article to be private construction inspectors for the purpose of conducting
5 private construction inspections.
- 6 (3c) Register private construction inspection firms for the purpose of offering or
7 providing private construction inspections through private construction
8 inspectors certified and registered under this Article.
- 9 (4) Consult and cooperate with counties, municipalities, agencies of this State,
10 other governmental agencies, and with universities, colleges, junior colleges,
11 community colleges and other institutions concerning the development of
12 Code-enforcement training schools and programs or courses of instruction.
- 13 (5) Establish minimum standards and levels of education or equivalent experience
14 for all Code-enforcement instructors, teachers or professors.
- 15 (5a) Ensure that the minimum standards for and education of private construction
16 inspectors include specific instruction on the duties and responsibilities
17 imposed by law on a private construction inspector, including reporting
18 obligations, conflict-of-interest limitations, inspection scope, and the limits of
19 a private construction inspector's authority.
- 20 ...
- 21 (9) Establish within the Office of the State Fire Marshal a marketplace pool of
22 qualified Code-enforcement officials available for the following purposes:
- 23 a. When requested by the State Fire Marshal, to assist in the discharge of
24 the State Fire Marshal's duty under G.S. 143-139 to supervise,
25 administer, and enforce the North Carolina State Building Code. The
26 State Fire Marshal shall have the power and authority to fix and collect
27 reasonable fees for services performed by Code-enforcement officials
28 under this sub-subdivision. The State Fire Marshal may also collect
29 reimbursement, at the rate established under G.S. 138-6, for mileage
30 costs incurred by Code-enforcement officials going to and from
31 inspections conducted under this sub-subdivision. The State Fire
32 Marshal shall have no power or authority to fix or collect fees incurred
33 by local inspection departments under sub-subdivision b. of this
34 subdivision.
- 35 b. When requested by local inspection departments, to assist in Code
36 enforcement.
- 37 (10) Establish criteria to be used by the Office of the State Fire Marshal to verify
38 that private construction inspectors and private construction inspection firms
39 meet the standards required for private construction inspections."

40 **SECTION 1.3.** Article 9C of Chapter 143 of the General Statutes is amended by
41 adding new sections to read:

42 **"§ 143-151.14A. Required standards and certificates for private construction inspectors.**

43 (a) Certificate Required. – No individual shall conduct a private construction inspection
44 under this Article unless the individual possesses a standard private construction inspector
45 certificate, currently valid, issued by the Board attesting to that individual's qualifications to
46 engage in private construction inspection and the individual is registered under
47 G.S. 143-151.19A.

48 (b) Examination. – To obtain a standard private construction inspector certificate, an
49 individual shall pass an examination, as prescribed by the Board or by a contracting party under
50 G.S. 143-151.16(d), that is based on the North Carolina State Building Code and administrative
51 procedures required for Code enforcement and private construction inspection. The Board may

1 issue a standard private construction inspector certificate of qualification to each individual who
2 successfully completes the examination.

3 (c) Effect of Certificate. – A private construction inspector certificate authorizes an
4 individual, upon registration as provided in G.S. 143-151.19A, to engage in private construction
5 inspection and to practice as a qualified private construction inspector in North Carolina. The
6 private construction inspector certificate of qualification shall bear the signatures of the chair and
7 secretary of the Board.

8 (d) Types of Certificates. – The Board shall issue one or more standard private
9 construction inspector certificates to each applicant demonstrating the qualifications set forth in
10 this section. Standard private construction inspector certificates are available for each of the
11 following types of qualified private construction inspectors:

12 (1) Building inspector.

13 (2) Electrical inspector.

14 (3) Mechanical inspector.

15 (4) Plumbing inspector.

16 (5) Fire inspector.

17 (6) Residential changeout inspector.

18 (e) Scope and Level. – The holder of a standard private construction inspector certificate
19 may conduct private construction inspections only within the inspection area and level described
20 upon the certificate issued by the Board. A private construction inspector may qualify and hold
21 one or more private construction inspector certificates. These private construction inspector
22 certificates may be for different levels in different types of positions as defined in this section
23 and in rules adopted by the Board.

24 (f) Statewide Authority. – A private construction inspector holding a certificate
25 indicating a specified level of proficiency in a particular type of position may conduct a private
26 construction inspection calling for that type of qualification anywhere in this State. With respect
27 to all types of private construction inspectors, those with Level I, Level II, or Level III certificates
28 shall be qualified to inspect and approve only those types and sizes of residential or commercial
29 buildings and structures as specified in rules adopted by the Board.

30 (g) Existing Code-Enforcement Officials. – Notwithstanding subsection (b) of this
31 section, the Board shall, without requiring an examination, issue a private construction inspector
32 certificate to an individual currently certified as a Code-enforcement official under this Article
33 for the same type of position and level for which the individual holds a valid Code-enforcement
34 certificate.

35 (h) Architects and Engineers. – Notwithstanding subsection (b) of this section, the Board
36 may issue a private construction inspector certificate, without examination, to an architect
37 licensed under Chapter 83A of the General Statutes or an engineer licensed under Chapter 89C
38 of the General Statutes, in a type of position and at a level determined by the Board to be
39 consistent with the licensee's education, training, and professional discipline. The Board may
40 require completion of a short course relating to the North Carolina State Building Code
41 regulations and private construction inspection administration before issuing a certificate under
42 this subsection.

43 (i) Rules. – The Board shall adopt rules establishing the qualifications, certificate levels,
44 experience requirements, examinations, short courses, and other standards necessary to
45 implement this section.

46 **"§ 143-151.14B. Professional development program for private construction inspectors.**

47 (a) Continuing Education. – The Board may establish professional development
48 requirements for private construction inspectors as a condition of the renewal or reactivation of
49 their certificates. The purposes of these professional development requirements are to assist
50 private construction inspectors in maintaining professional competence in their inspections and
51 to assure the health, safety, and welfare of the citizens of North Carolina.

1 (b) Annual Requirement. – A private construction inspector subject to this section shall
2 present evidence to the Board at each certificate renewal after initial certification that, during the
3 12 months before the certificate expiration date, the private construction inspector has completed
4 the required number of credit hours in courses approved by the Board. Annual continuing
5 education hour requirements shall be determined by the Board but shall not be more than six
6 credit hours.

7 (c) Initial Professional Development. – The Board may require an individual who earns
8 a certificate under G.S. 143-151.14A to complete professional development courses, not to
9 exceed six hours in each technical area of certification, within one year after that individual is
10 first employed as a private construction inspector or engages in private construction inspection.

11 (d) Reactivation. – As a condition of reactivating a standard certificate, the Board may
12 require completion of professional development courses within one year after reemployment or
13 reengagement as a private construction inspector.

14 (e) Rules. – The Board may adopt rules to implement this section, including rules
15 governing course content, course sponsors, course instructors, methods of instruction,
16 computation of course credit, carry-forward credit, hardship waivers, compliance procedures,
17 and sanctions for noncompliance."

18 **SECTION 1.4.(a)** G.S. 143-151.15 reads as rewritten:

19 **"§ 143-151.15. Return of certificate to Board; reissuance by Board.**

20 (a) A certificate issued by the Board under this Article is valid as long as the person
21 certified is ~~employed by the State of North Carolina or any political subdivision thereof as a~~
22 ~~Code-enforcement official, or is employed by a federally recognized Indian Tribe to perform~~
23 ~~inspections on tribal lands as a Code-enforcement official.~~ any of the following:

24 (1) Employed by the State of North Carolina or any political subdivision thereof
25 as a Code-enforcement official.

26 (2) Employed by a federally recognized Indian Tribe to perform inspections on
27 tribal lands as a Code-enforcement official.

28 (3) Employed by, or under contract with, a private construction inspection firm.

29 (4) Self-employed as a private construction inspector.

30 (b) When the person certified leaves ~~that employment~~ the employment, contractual
31 relationship, or self-employment described under subsection (a) of this section for any reason, he
32 that person shall return the certificate to the Board. ~~Board unless the person remains otherwise~~
33 eligible under another subdivision of subsection (a) of this section.

34 (c) If the person subsequently ~~obtains employment as a Code-enforcement official in any~~
35 ~~governmental jurisdiction described above,~~ becomes eligible under any subdivision of subsection
36 (a) of this section, the Board may reissue the certificate to him. ~~certificate.~~

37 (d) The provisions of G.S. 143-151.16(b) relating to renewal fees and late renewals shall
38 apply, if appropriate. The provisions of G.S. 143-151.16(c) shall not apply. This section does not
39 affect the Board's powers under G.S. 143-151.17."

40 **SECTION 1.4.(b)** G.S. 143-151.16 reads as rewritten:

41 **"§ 143-151.16. Certification fees; renewal of certificates; examination fees.**

42 (a) The Board shall establish a schedule of fees to be paid by each applicant for
43 certification as a qualified Code-enforcement official. ~~Such fee shall not exceed twenty dollars~~
44 ~~(\$20.00) for each applicant.~~ official or private construction inspector. The fee for certification as
45 a qualified Code-enforcement official shall not exceed twenty dollars (\$20.00). The fee for
46 certification as a private construction inspector shall not exceed two hundred dollars (\$200.00).

47 (b) A certificate, other than a probationary certificate, as a qualified Code-enforcement
48 official or private construction inspector issued pursuant to the provisions of this Article must be
49 renewed annually on or before the first day of July. Each application for renewal must be
50 accompanied by a renewal fee to be determined by the Board, ~~but not to exceed ten dollars~~
51 ~~(\$10.00).~~ but the renewal fee for a certificate as a qualified Code-enforcement official shall not

1 exceed ten dollars (\$10.00), and the renewal fee for a certificate as a private construction
2 inspector shall not exceed fifty dollars (\$50.00). The Board is authorized to charge an extra four
3 dollar (\$4.00) late renewal fee for renewals made after the first day of July each year.

4 (c) Any person who fails to renew his certificate for a period of two consecutive years
5 may be required by the Board to take and pass the same examination as unlicensed applicants
6 before allowing such person to renew his certificate.

7 (d) The Board may contract with persons for the development and administration of the
8 examinations required by ~~G.S. 143-151.13(a)~~, G.S. 143-151.13(a) and G.S. 143-151.14A, for
9 course development related to the examinations, for review of a particular applicant's
10 examination, and for other related services. The person with whom the Board contracts may
11 charge applicants a reasonable fee for the costs associated with the development and
12 administration of the examinations, for course development related to the examinations, for
13 review of the applicant's examinations, and for other related services. The fee shall be agreed to
14 by the Board and the other contracting party. The amount of the fee under this subsection shall
15 not exceed one hundred seventy-five dollars (\$175.00). Contracts for the development and
16 administration of the examinations, for course development related to the examinations, and for
17 review of examinations shall not be subject to Article 3, 3C, or 8 of Chapter 143 of the General
18 Statutes or to Article 15 of Chapter 143B of the General Statutes. However, the Board shall: (i)
19 submit all proposed contracts for supplies, materials, printing, equipment, and contractual
20 services that exceed one million dollars (\$1,000,000) authorized by this subsection to the
21 Attorney General or the Attorney General's designee for review as provided in G.S. 114-8.3; and
22 (ii) include in all proposed contracts to be awarded by the Board under this subsection a standard
23 clause which provides that the State Auditor and internal auditors of the Board may audit the
24 records of the contractor during and after the term of the contract to verify accounts and data
25 affecting fees and performance. The Board shall not award a cost plus percentage of cost
26 agreement or contract for any purpose."

27 **SECTION 1.4.(c)** G.S. 143-151.17 reads as rewritten:

28 **"§ 143-151.17. Grounds for disciplinary actions; investigation; administrative procedures.**

29 (a) The Board has the power to suspend, revoke, demote to a lower level, or refuse to
30 grant a certificate issued under this Article to any person and to suspend, revoke, or refuse to
31 grant a registration issued under this Article to any person or private construction inspection firm
32 to whom or to which any of the following applies:

- 33 (1) Has been convicted of a felony against this State or the United States, or
34 convicted of a felony in another state that would also be a felony if it had been
35 committed in this State.
- 36 (2) Has obtained certification or registration through fraud, deceit, or perjury.
- 37 (3) Has knowingly aided or abetted any person practicing contrary to the
38 provisions of this Article or the North Carolina State Building Code or any
39 building codes adopted by a federally recognized Indian Tribe.
- 40 (4) Has defrauded the public or attempted to do so.
- 41 (5) Has affixed ~~his or her~~ the person's signature to a report of inspection or other
42 instrument of service if no inspection has been made by ~~him or her~~ the person
43 or under his or her the person's immediate and responsible direction.
- 44 (6) Has been guilty of willful misconduct, gross negligence, or gross
45 incompetence.
- 46 (7) Has violated subsection (a1) of this section.

47 (a1) A private construction inspector shall not inspect any property under this Article in
48 which the inspector, the private construction inspection firm with which the inspector is
49 employed or affiliated, or a person with whom the inspector has a close familial, business,
50 employment, contractual, or other associational relationship has an ownership or direct financial
51 interest. A private construction inspector shall not inspect a project if the inspector or the private

1 construction inspection firm has furnished labor, materials, appliances, plans, specifications, or
2 design services for the construction, alteration, repair, or maintenance of the project, other than
3 private construction inspection services authorized under this Article. For purposes of this
4 subsection, a "close familial relationship" means a spouse, parent, child, brother, sister,
5 grandparent, or grandchild, including step, half, and in-law relationships. Compensation paid to
6 a private construction inspector or private construction inspection firm for inspection services
7 authorized under this Article does not, by itself, create a prohibited financial interest.

8 (b) The Board may investigate the actions of any qualified Code-enforcement official
9 official, private construction inspector, private construction inspection firm, registrant, or
10 applicant upon the verified complaint in writing of any person alleging a violation of subsection
11 (a) of this section. The Board may suspend, revoke, or demote to a lower level any certificate of
12 any qualified Code-enforcement official or private construction inspector, may suspend or revoke
13 any registration of any private construction inspector or private construction inspection firm, and
14 may refuse to grant a certificate or registration to any applicant, whom it finds to have been guilty
15 of one or more of the actions set out in subsection (a) of this section as grounds for disciplinary
16 action.

17 (c) A denial, suspension, revocation, or demotion to a lower level of a certificate
18 certificate, or a denial, suspension, or revocation of a registration, issued under this Article shall
19 be made in accordance with Chapter 150B of the General Statutes.

20 (d) The Board may deny an application for a certificate or registration for any of the
21 grounds that are described in subsection (a) of this section. Within 30 days after receipt of a
22 notification that an application for a certificate or registration has been denied, the applicant may
23 make a written request for a review by a committee designated by the chairman of the Board to
24 determine the reasonableness of the Board's action. The review shall be completed without undue
25 delay, and the applicant shall be notified promptly in writing as to the outcome of the review.
26 Within 30 days after service of the notification as to the outcome, the applicant may make a
27 written request for a hearing under Article 3A of Chapter 150B of the General Statutes if the
28 applicant disagrees with the outcome.

29 (e) This section applies to Code-enforcement officials and applicants who are employed
30 or seek to be employed by a federally recognized Indian Tribe to perform inspections on tribal
31 lands."

32 **SECTION 1.4.(d)** G.S. 143-151.18 reads as rewritten:

33 **"§ 143-151.18. Violations; penalty; injunction.**

34 On and after July 1, 1979, it shall be unlawful for any person to represent himself as a
35 qualified Code enforcement official who does not hold a currently valid certificate of
36 qualification issued by the Board. Further, it shall be unlawful for any person to practice Code
37 enforcement except as allowed by any currently valid certificate issued to that person by the
38 Board. A person shall not represent that the person is a qualified Code-enforcement official
39 unless the person holds a currently valid certificate of qualification issued by the Board. A person
40 shall not represent that the person is a private construction inspector unless the person holds a
41 currently valid certificate of qualification issued by the Board and a current registration under
42 G.S. 143-151.19A. A person shall not practice Code enforcement except as allowed by a
43 currently valid certificate issued to that person by the Board. A person shall not conduct private
44 construction inspections except as authorized by a currently valid certificate issued to that person
45 by the Board and a current registration under G.S. 143-151.19A. A firm, partnership, corporation,
46 limited liability company, association, or other legal entity shall not represent itself as a private
47 construction inspection firm unless registered under G.S. 143-151.19A. Any person violating any
48 of the provisions of this Article shall be guilty of a Class 1 misdemeanor. The Board is authorized
49 to may apply to any judge of the superior court for an injunction in order to prevent any violation
50 or threatened violation of the provisions of this Article."

51 **SECTION 1.4.(e)** G.S. 143-151.19 reads as rewritten:

1 **"§ 143-151.19. Administration.**

2 ...

3 (c) The Board shall keep current a record of the names and addresses of all qualified
4 ~~Code-enforcement officials and additional personal data officials~~, all currently certified and
5 registered private construction inspectors, and all currently registered private construction
6 inspection firms, and any other identifying information as the Board deems necessary. The Board
7 annually shall publish a list of all currently certified ~~Code-enforcement officials-officials~~, all
8 currently certified and registered private construction inspectors, and all currently registered
9 private construction inspection firms.

10 (d) Each certificate issued by the Board shall contain such identifying information as the
11 Board requires.

12 (e) The Board shall issue a duplicate certificate to practice as a qualified
13 Code-enforcement official or as a private construction inspector in place of one which that has
14 been lost, destroyed, or mutilated upon proper application and payment of a fee to be determined
15 by the Board."

16 **SECTION 1.5.** Article 9C of Chapter 143 of the General Statutes is amended by
17 adding a new section to read:

18 **"§ 143-151.19A. Registration of private construction inspectors and private construction**
19 **inspection firms; inspection procedure plan.**

20 (a) Individual registration required. – No individual shall engage in private construction
21 inspection unless that individual is first registered with the Board.

22 (b) Application by individual. – To be registered as a private construction inspector, an
23 individual shall submit an application for registration on a form provided by the Board that
24 includes all of the following:

25 (1) Proof of certification pursuant to this Article.

26 (2) An inspection procedure plan that includes all of the following:

27 a. A statement as to whether the individual intends to conduct private
28 construction inspections in all areas in which the individual holds a
29 certificate issued under G.S. 143-151.14A.

30 b. For any areas in which the individual is not certified under
31 G.S. 143-151.14A, a statement as to how the individual intends to
32 fulfill contractual obligations to conduct private construction
33 inspections in those areas.

34 c. A statement as to the individual's experience level in each area in
35 which the individual holds a certificate issued under
36 G.S. 143-151.14A.

37 (3) Proof of errors and omissions insurance or other insurance coverage in an
38 amount and form established by the Board by rule.

39 (4) Any other information required by the Board.

40 (c) Firm registration required. – No firm, partnership, corporation, limited liability
41 company, association, or other legal entity shall offer or provide private construction inspection
42 services unless registered with the Board as a private construction inspection firm.

43 (d) Application by firm. – To be registered as a private construction inspection firm, an
44 applicant shall submit an application for registration on a form provided by the Board that
45 includes all of the following:

46 (1) The name, physical address, mailing address, email address, and telephone
47 number of the firm.

48 (2) The name, contact information, certificate type and level, and registration
49 number of at least one private construction inspector employed by or under
50 contract with the firm who is designated by the firm as responsible for the

firm's compliance with this Article, rules adopted by the Board, and the inspection procedure plan required by this section.

(3) A list of all private construction inspectors employed by or under contract with the firm.

(4) An inspection procedure plan describing how the firm will ensure that each inspection is performed by a private construction inspector certified at the proper type and level.

(5) Proof of errors and omissions insurance or other insurance coverage in an amount and form established by the Board by rule.

(6) Any other information required by the Board.

(e) Review and registration number. – The Board shall review each application and inspection procedure plan required by this section and shall register and assign a registration number to the applicant if the Board determines that the plan is adequate and the applicant otherwise meets the requirements of this Article. If the Board denies an application for registration or determines that the application is deficient, the Board shall notify the applicant in writing with an explanation for the denial or deficiency and give the applicant a reasonable opportunity to correct any deficiencies and resubmit the application. If the Board denies the resubmitted application, the applicant shall be notified in writing and may seek review as provided in G.S. 143-151.17(d).

(f) Firm employees. – A private construction inspector employed by or under contract with a registered private construction inspection firm may register under this section without submitting an individual inspection procedure plan if the firm's inspection procedure plan includes that inspector.

(g) Public registry. – The Board shall keep current a record of the names, addresses, certificate types and levels, and registration numbers of all registered private construction inspectors and private construction inspection firms and shall maintain this record on the website of the Office of the State Fire Marshal. The Board may combine the records maintained and published under this subsection with those required in G.S. 143-151.19.

(h) Amended registration. – A private construction inspector or private construction inspection firm may submit an amended registration or inspection procedure plan to the Board at any time and shall submit an amended registration within 30 days after any material change in the information required by this section, including any change in the private construction inspector designated under subdivision (d)(2) of this section.

(i) Fees. – The Board shall establish a schedule of fees to be paid by each applicant for registration under this section. The registration fee shall not exceed fifty dollars (\$50.00) for each individual applicant and two hundred dollars (\$200.00) for each firm applicant."

PART II. PRIVATE CONSTRUCTION INSPECTIONS UNDER ARTICLE 11 OF CHAPTER 160D

SECTION 2.1.(a) G.S. 160D-1101 reads as rewritten:

"§ 160D-1101. Definitions.

As used in this Article, the following terms shall have their ordinary meaning and shall also be read to include the following:

(1) Building or buildings. – Includes other structures.

(2) Governing board or board of commissioners. – Includes the Tribal Council of a federally recognized Indian tribe.

(3) Local government. – Includes a federally recognized Indian tribe, and, as to such tribe, includes lands held in trust for the tribe.

(3a) Private construction inspection. – As defined in G.S. 143-151.8(a).

(3b) Private construction inspection firm. – As defined in G.S. 143-151.8(a).

(3c) Private construction inspector. – As defined in G.S. 143-151.8(a).

1 (4) Public officer. – Includes the officer or officers who are authorized by
2 regulations adopted hereunder to exercise the powers prescribed by the
3 regulations and by this Article."

4 **SECTION 2.1.(b)** G.S. 160D-1102 reads as rewritten:

5 **"§ 160D-1102. Building code administration.**

6 ...

7 (b) In the event that any local government fails to provide inspection services or ceases
8 to provide inspection services, the State Fire Marshal shall arrange for the provision of inspection
9 services, either through personnel employed by the Office of the State Fire Marshal or another
10 division of the Department of Insurance or through an arrangement with other units of
11 government. In either event, the State Fire Marshal has and may exercise within the local
12 government's planning and development regulation jurisdiction all powers made available to the
13 governing board with respect to building inspection under this Article and Part 1 of Article 20 of
14 Chapter 160A of the General Statutes. Whenever the State Fire Marshal has intervened in this
15 manner, the local government may assume provision of inspection services only after giving the
16 State Fire Marshal two years' written notice of its intention to do so; however, the State Fire
17 Marshal may waive this requirement or permit assumption at an earlier date upon finding that an
18 earlier assumption will not unduly interfere with arrangements made for the provision of those
19 services.

20 (b1) No local government shall adopt or enforce any ordinance, regulation, policy, or
21 practice that prohibits an owner, permit holder, contractor listed on a permit, or authorized agent
22 from using a private construction inspector or private construction inspection firm to conduct a
23 private construction inspection when authorized under this Article. When the State Fire Marshal
24 has intervened under subsection (b) of this section, the State Fire Marshal shall not prohibit an
25 owner, permit holder, contractor listed on a permit, or authorized agent from using a private
26 construction inspector or private construction inspection firm to conduct a private construction
27 inspection when authorized under this Article.

28"

29 **SECTION 2.1.(c)** Article 11 of Chapter 160D of the General Statutes is amended by
30 adding a new section to read:

31 **"§ 160D-1103.1. Qualifications of private construction inspectors.**

32 No private construction inspection shall be conducted except by a private construction
33 inspector certified and registered under Article 9C of Chapter 143 of the General Statutes and
34 qualified to conduct the type and level of inspection required for the building, structure, trade,
35 system, or work being inspected."

36 **SECTION 2.1.(d)** G.S. 160D-1104 reads as rewritten:

37 **"§ 160D-1104. Duties and responsibilities**

38 ...

39 (b) The duties and responsibilities set forth in subsection (a) of this section include the
40 receipt of applications for permits and the issuance or denial of permits, the making of any
41 necessary inspections in a timely manner, except for inspections conducted by a private
42 construction inspector in accordance with this Article, the issuance or denial of certificates of
43 compliance, issuance, denial, or acceptance of certificates of compliance as provided in this
44 Article, the issuance of orders to correct violations, the bringing of judicial actions against actual
45 or threatened violations, the keeping of adequate records, and any other actions that may be
46 required in order adequately to enforce those laws. The governing board has the authority to enact
47 reasonable and appropriate provisions governing the enforcement of those laws.

48"

49 **SECTION 2.1.(e)** G.S. 160D-1105 reads as rewritten:

50 **"§ 160D-1105. Other arrangements for inspections.**

1 (a) A local government may contract with an individual who is not a local government
2 employee but who holds one of the applicable certificates as provided in G.S. 160D-1103 or with
3 the employer of an individual who holds one of the applicable certificates as provided in
4 G.S. 160D-1103.

5 (b) Notwithstanding any other provision of this Article, a local government may contract
6 with a certified and registered private construction inspector or with a registered private
7 construction inspection firm to conduct inspections under this Article.

8 (c) An owner, permit holder, contractor listed on the permit, or authorized agent may
9 contract with a private construction inspector or private construction inspection firm to conduct
10 private construction inspections of residential or commercial buildings and structures for
11 compliance with the North Carolina State Building Code as provided in G.S. 160D-1105.1.

12 (d) A Code-enforcement official certified and registered as a private construction
13 inspector under Article 9C of Chapter 143 of the General Statutes and employed by a local
14 government may not be prohibited, by employment contract or otherwise, from engaging in
15 private construction inspection outside the jurisdiction of the local government by which the
16 official is employed, provided that the official complies with the conflict-of-interest requirements
17 of this Article and Article 9C of Chapter 143 of the General Statutes. A Code-enforcement
18 official employed by a local government shall not conduct a private construction inspection
19 within the jurisdiction of the local government by which the official is employed."

20 **SECTION 2.2.** Article 11 of Chapter 160D of the General Statutes is amended by
21 adding new sections to read:

22 **"§ 160D-1105.1. Private construction inspection authorized after delayed local inspection;**
23 **acceptance of inspection reports; exceptions.**

24 (a) Definitions. – The following definitions apply in this section:

25 (1) Associated inspection. – A subsequent inspection relating to the same trade,
26 phase, unit, building, structure, system, or portion of a project affected by a
27 delayed inspection, including a reinspection necessary to verify correction of
28 Code noncompliance identified in the delayed inspection.

29 (2) Delayed inspection. – A requested inspection required by the North Carolina
30 State Building Code to which any of the following applies:

31 a. The local inspection department has not conducted the inspection
32 within 10 business days after the inspection was first requested and the
33 local inspection department and requestor have not agreed in writing
34 to a different inspection date and time.

35 b. The local inspection department has informed the requestor in writing
36 that it is unable to conduct the inspection within 10 business days after
37 the inspection was first requested and the local inspection department
38 and requestor have not agreed in writing to a different inspection date
39 and time.

40 c. The local inspection department and requestor have agreed in writing
41 to a different inspection date and time and the local inspection
42 department has not conducted the inspection by that agreed-upon date
43 and time.

44 (3) Requestor. – An owner, permit holder, contractor listed on the permit, or
45 authorized agent who requests an inspection from a local inspection
46 department.

47 (b) Inspection Request. – A requestor may request an inspection from the local inspection
48 department when work is ready for any required inspection under the North Carolina State
49 Building Code. The request shall be made in writing, electronically, or through any permit or
50 inspection scheduling system used by the local inspection department. The local inspection
51 department shall maintain a record of each inspection request. The record shall include the date

1 and time the request is received, the type of inspection requested, the address of the property to
2 be inspected, the permit number, the person or system to whom the request was directed, and the
3 name of the requestor if the requestor is someone other than the permit holder. Inspection requests
4 received after 12:00 noon shall be deemed to have been received on the next business day.

5 (c) Ten-Business-Day Local Inspection Period. – A local inspection department shall
6 conduct a requested inspection within 10 business days after the inspection is first requested. If
7 the local inspection department is unable to conduct the requested inspection within 10 business
8 days after the inspection is first requested, the local inspection department shall inform the
9 requestor in writing as soon as practicable and may agree with the requestor in writing to a
10 different date and time for the inspection. The local inspection department shall commit any
11 agreed-upon inspection date and time to writing and provide a copy to the requestor.

12 (d) Election to Use Private Construction Inspector. – When a requested inspection is a
13 delayed inspection, the owner, permit holder, contractor listed on the permit, or authorized agent
14 may elect to contract with a private construction inspector or private construction inspection firm
15 to conduct the inspection.

16 (e) Scope of Election. – An election under subsection (d) of this section applies to the
17 delayed inspection and may also apply only to one or more of the following:

- 18 (1) An associated inspection related to the delayed inspection.
- 19 (2) Any subsequent delayed inspection for the same project.
- 20 (3) An associated inspection related to a subsequent delayed inspection.
- 21 (4) For a project with multiple units in one building, the inspections described in
22 subdivisions (1) through (3) of this subsection for the specific unit or units
23 affected by the delayed inspection or subsequent delayed inspection.

24 (f) Notice of Election. – Before a private construction inspector conducts an inspection
25 under this section, the owner, permit holder, contractor listed on the permit, or authorized agent
26 shall notify the local inspection department in writing of the election to use a private construction
27 inspector or private construction inspection firm. The notice shall be submitted on the form
28 developed pursuant to G.S. 160D-1105.4 and shall include all of the following:

- 29 (1) The name, address, telephone number, and email address of the owner, permit
30 holder, contractor listed on the permit, or authorized agent making the
31 election.
- 32 (2) The permit number and street address of the building or structure.
- 33 (3) The type of inspection requested.
- 34 (4) Documentation of the date and time of the initial inspection request to the
35 local inspection department.
- 36 (5) Documentation showing that the requested inspection is a delayed inspection
37 under subsection (a) of this section, including evidence that (i) the local
38 inspection department failed to conduct the inspection within 10 business days
39 after the inspection was first requested and no different inspection date and
40 time was agreed to in writing, (ii) the local inspection department stated in
41 writing that it was unable to conduct the inspection within 10 business days
42 after the inspection was first requested and the parties did not agree in writing
43 to a different inspection date and time, or (iii) the local inspection department
44 and requestor agreed in writing to a different inspection date and time and the
45 local inspection department failed to conduct the inspection by that
46 agreed-upon date and time.
- 47 (6) If an individual private construction inspector is used and no private
48 construction inspection firm is used, the name, contact information, certificate
49 type and level, and registration number of the private construction inspector.
- 50 (7) If a private construction inspection firm is used, the name, contact
51 information, and registration number of the firm and the name, contact

1 information, certificate type and level, and registration number of at least one
2 private construction inspector employed by or under contract with the firm
3 who is designated by the firm as responsible for the firm's private construction
4 inspections assigned to the project.

5 (8) A statement identifying whether the election applies only to the delayed
6 inspection or also applies to any inspection described in subsection (e) of this
7 section.

8 (g) Amended Notice. – The following requirements apply to amended notices under this
9 section:

10 (1) If an election under this section identifies an individual private construction
11 inspector and no private construction inspection firm, an inspection under this
12 section shall not be conducted by a different private construction inspector
13 unless, before the inspection, an amended notice identifying the different
14 private construction inspector is submitted to the local inspection department.
15 The amended notice shall include the information required by subdivision
16 (f)(6) of this section.

17 (2) If an election under this section identifies a private construction inspection
18 firm, an inspection under this section may be conducted by a private
19 construction inspector employed by or under contract with that firm without
20 submission of an amended notice, provided that the inspector is qualified
21 under Article 9C of Chapter 143 of the General Statutes to conduct the type
22 and level of inspection required.

23 (3) If an election under this section identifies a private construction inspection
24 firm, an inspection under this section shall not be conducted by a different
25 private construction inspection firm unless, before the inspection, an amended
26 notice identifying the different private construction inspection firm is
27 submitted to the local inspection department. The amended notice shall
28 include the information required by subdivision (f)(7) of this section.

29 (4) If the private construction inspector designated under subdivision (f)(7) of this
30 section changes, an amended notice identifying the new designated private
31 construction inspector shall be submitted to the local inspection department
32 before the next inspection conducted by the private construction inspection
33 firm under this section. The amended notice shall include the information
34 required by subdivision (f)(7) of this section.

35 (5) If an election under this section applies to a subsequent delayed inspection
36 under subdivision (e)(2) of this section or to an associated inspection under
37 subdivision (e)(3) of this section, an amended notice shall be submitted to the
38 local inspection department before the inspection. The amended notice shall
39 document the date and time of the subsequent inspection request and the facts
40 showing that the subsequent requested inspection is a delayed inspection
41 under subdivision (a)(2) of this section. The amended notice shall identify
42 whether the election applies to the subsequent delayed inspection, to an
43 associated inspection related to that subsequent delayed inspection, or to both,
44 and, if applicable, shall identify the specific unit or units to which the election
45 applies as authorized under subdivision (e)(4) of this section.

46 (6) The local inspection department shall maintain each amended notice
47 submitted under this subsection in the permit record.

48 (h) Acceptance of Private Inspection Report. – Notwithstanding any other provision of
49 this Article and except as provided in subsection (l) of this section, a local government and the
50 State Fire Marshal, when the Office of the State Fire Marshal has intervened pursuant to
51 G.S. 160D-1102(b), shall accept a signed inspection report submitted in accordance with this

1 section. If the signed inspection report states that the inspected work complies with the North
2 Carolina State Building Code, the local government or State Fire Marshal, as applicable, shall
3 accept the report as satisfying the inspection requirement for the same Code item, without further
4 responsibility to inspect that Code item, provided all of the following apply:

- 5 (1) The private construction inspection is limited to inspection for compliance
6 with the North Carolina State Building Code.
 - 7 (2) The private construction inspector conducting the inspection is qualified
8 under Article 9C of Chapter 143 of the General Statutes to conduct that type
9 and level of private construction inspection at the time of the inspection.
 - 10 (3) The private construction inspector who conducted the inspection is either (i)
11 identified in the notice submitted under subsection (f) of this section or an
12 amended notice submitted under subsection (g) of this section or (ii) employed
13 by or under contract with the private construction inspection firm identified in
14 the notice submitted under subsection (f) of this section or an amended notice
15 submitted under subsection (g) of this section.
 - 16 (4) If the inspection is conducted on behalf of a private construction inspection
17 firm, the private construction inspector who conducted the inspection is
18 employed by or under contract with the firm identified in the notice submitted
19 under subsection (f) of this section or an amended notice submitted under
20 subsection (g) of this section, and the inspection report may be submitted by
21 the private construction inspector or by the private construction inspection
22 firm on the inspector's behalf.
 - 23 (5) The private construction inspector and private construction inspection firm, if
24 applicable, have complied with the conflict-of-interest requirements of
25 G.S. 143-151.17(a1) and subsection (k) of this section.
 - 26 (6) The owner, permit holder, contractor listed on the permit, or authorized agent
27 has provided the notice required by subsection (f) of this section and, if
28 applicable, any amended notice required by subsection (g) of this section.
 - 29 (7) The owner, permit holder, contractor listed on the permit, or authorized agent
30 and the private construction inspector or private construction inspection firm
31 have executed the written contract required by subsection (i) of this section.
 - 32 (8) The private construction inspector or private construction inspection firm
33 provides the local government or the State Fire Marshal, as applicable, with a
34 copy of each signed inspection report. The signed inspection report shall be
35 provided by electronic or physical delivery, and its receipt shall be promptly
36 acknowledged by the local government or the State Fire Marshal, as
37 applicable, through reciprocal means.
- 38 (i) Written Contract. – An owner, permit holder, contractor listed on the permit, or
39 authorized agent that elects to use a private construction inspector or private construction
40 inspection firm under this section shall execute a written contract with the private construction
41 inspector or private construction inspection firm. The contract shall include, at a minimum, all
42 of the following:
- 43 (1) The specific delayed inspection, any subsequent delayed inspection to which
44 the election applies, any associated inspection, unit or units, building,
45 structure, system, trade, phase, or portion of the project to be inspected.
 - 46 (2) The specific types of inspections to be conducted by the designated private
47 construction inspector or by other private construction inspectors employed
48 by or under contract with the designated private construction inspection firm.
 - 49 (3) The specific types of inspections, if any, to be conducted by any other private
50 construction inspector, including an inspector employed by or under contract
51 with a private construction inspection firm identified in the notice submitted

- 1 under subsection (f) of this section or an amended notice submitted under
2 subsection (g) of this section.
- 3 (4) The reinspection process, including inspector compensation, when an
4 inspection demonstrates noncompliance with the North Carolina State
5 Building Code.
- 6 (5) The process, including inspector compensation, for additional inspections
7 required due to unforeseen circumstances, changes to orders, changes to the
8 North Carolina State Building Code, or any other event or occurrence
9 necessitating additional inspections.
- 10 (6) The contact information for the private construction inspector or, if a private
11 construction inspection firm is used, the private construction inspector
12 designated under subdivision (f)(7) of this section.
- 13 (7) A statement that the private construction inspector or private construction
14 inspection firm will submit all required inspection reports to the local
15 inspection department and to the permit holder.
- 16 (8) A statement that the private construction inspector or private construction
17 inspection firm is responsible only for inspection of compliance with the
18 North Carolina State Building Code within the scope of the contract and is not
19 responsible for inspection or approval of any local law or State law outside
20 that scope.
- 21 (j) Inspection Report. – The inspection report required by this section shall be on the
22 form developed by the North Carolina Code Officials Qualification Board in the Office of the
23 State Fire Marshal under G.S. 160D-1105.4 and shall include all of the following:
- 24 (1) The printed name, title, signature, and date of the private construction
25 inspector who conducted the inspection.
- 26 (2) The certificate type and level and registration number of the private
27 construction inspector.
- 28 (3) If the inspection was conducted on behalf of a private construction inspection
29 firm, the name and registration number of the firm.
- 30 (4) The street address of the building or structure inspected.
- 31 (5) The permit number.
- 32 (6) The type and scope of inspection conducted.
- 33 (7) The date and time of the inspection.
- 34 (8) A statement whether the work inspected complies with the North Carolina
35 State Building Code.
- 36 (9) If the work inspected does not comply with the North Carolina State Building
37 Code, a description of each item of noncompliance identified by the private
38 construction inspector.
- 39 (k) Additional Conflict-of-Interest Limits. – In addition to the requirements of
40 G.S. 143-151.17(a1), a private construction inspector or private construction inspection firm
41 shall not conduct an inspection under this section if the private construction inspector, the firm,
42 or a person affiliated with the inspector or firm is currently employed by, affiliated with, or under
43 common ownership or control with the owner, permit holder, contractor listed on the permit, or
44 authorized agent, other than through the contract for private construction inspection services
45 authorized by this section. The Board may establish by rule a look-back period for prior
46 employment, affiliation, ownership, or control that disqualifies a private construction inspector
47 or private construction inspection firm from inspecting a project.
- 48 (l) Exceptions; Local Authority Preserved. – Nothing in this section shall be construed
49 to do any of the following:
- 50 (1) Limit the authority of a local government to conduct inspections necessary to
51 determine compliance with any local law applicable to the construction of

1 residential or commercial buildings or structures if that local law is not part of
2 the North Carolina State Building Code.

3 (2) Limit the authority of a local government under G.S. 160D-1105.2 to conduct
4 acceptance testing of, or to approve, a fire prevention system before issuing a
5 certificate of compliance or temporary certificate of occupancy.

6 (3) Limit the authority of a local government or the State Fire Marshal to issue a
7 stop work order, notice of violation, or other enforcement action when the
8 local government or State Fire Marshal has reasonable cause to believe that
9 construction is being performed in violation of the North Carolina State
10 Building Code or that an immediate danger to life, limb, or property exists.

11 (4) Authorize a private construction inspector to inspect or enforce Code
12 provisions pertaining to boilers or elevators the administration and
13 enforcement of which is allocated to the Department of Labor under
14 G.S. 143-139(c) or (d).

15 (5) Require a local government to accept an inspection report that is incomplete,
16 that is submitted by an inspector not qualified for the type and level of
17 inspection performed, that is outside the scope of the notice required by
18 subsection (f) of this section, or that is submitted in violation of the
19 conflict-of-interest requirements of this section or Article 9C of Chapter 143
20 of the General Statutes.

21 (m) Liability of Local Government. – Upon acknowledging receipt of an inspection report
22 as required under subdivision (h)(8) of this section, the local government or State Fire Marshal,
23 its inspection departments, and its inspectors are not liable for a claim arising from or attributable
24 to the inspection for which the inspection report was submitted pursuant to this section.

25 (n) Existing State Remedy Preserved. – This section does not limit the ability of a permit
26 holder to request that the State Fire Marshal assign personnel to conduct an inspection under
27 G.S. 143-139.4. If a request for an inspection under G.S. 143-139.4 has been made and the
28 inspection has not been conducted when an election is made under this section for the same item
29 of work under the North Carolina State Building Code, the election under this section is not
30 effective until the permit holder or requestor under G.S. 143-139.4 withdraws the request under
31 G.S. 143-139.4 in writing or the State Fire Marshal declines to assign personnel to conduct the
32 inspection. A person shall not use both a report of an inspection performed under G.S. 143-139.4
33 and an inspection report submitted under this section to establish compliance of the same item of
34 work with the North Carolina State Building Code.

35 **"§ 160D-1105.2. Fire prevention systems acceptance testing.**

36 This Article does not limit the authority of a local government, before issuing a certificate of
37 compliance or temporary certificate of occupancy, to conduct acceptance testing of, or to
38 approve, a fire prevention system for which a private construction inspector has issued an
39 inspection report or private certificate of State Building Code compliance under this Article.

40 **"§ 160D-1105.3. Fee credit or refund; continuation of inspections.**

41 (a) Fee Credit or Refund. – When an inspection for which a permit holder has paid a fee
42 to a local government is performed by a private construction inspector pursuant to
43 G.S. 160D-1105.1 because the inspection is authorized under that section, the local government
44 shall credit or refund to the permit holder the fee collected by the local government for the
45 inspection, as provided in this section. The credit or refund shall be made at the conclusion of the
46 project.

47 (b) Amount. – The credit or refund required by subsection (a) of this section shall be
48 based on the inspection fees already paid to the local government for inspections performed by a
49 private construction inspector under G.S. 160D-1105.1. A local government may retain an
50 administrative processing fee only if the fee is identified in the local government's adopted fee
51 schedule and is attributable to receiving, reviewing for completeness, recording, and

1 acknowledging a private construction inspection report. The credit or refund shall not exceed the
2 amount already paid to the local government for the project, nor shall it exceed the amount the
3 local government collected for the inspection performed by the private construction inspector.

4 (c) Itemized Fees. – If the local government's fee schedule separately identifies the fee
5 for the inspection performed by the private construction inspector, the credit or refund shall be
6 based on that fee. If the fee schedule does not separately identify the fee for that inspection, the
7 local government shall calculate the portion of the permit or inspection fee attributable to the
8 inspection performed by the private construction inspector based on the type and number of
9 inspections performed by the private construction inspector compared with the inspections
10 required for the project.

11 (d) Ceasing or Abandoning Private Inspection. – If the private construction inspector or
12 private construction inspection firm identified in a notice submitted under G.S. 160D-1105.1(f)
13 or an amended notice submitted under G.S. 160D-1105.1(g) ceases conducting, or otherwise
14 abandons, the inspection work identified in that notice or amended notice, and no substitute
15 private construction inspector or private construction inspection firm has been identified in an
16 amended notice submitted under G.S. 160D-1105.1(g), the local government issuing the permit
17 shall, at the written request of the owner, permit holder, contractor listed on the permit, or
18 authorized agent, resume responsibility for inspections required under this Article prospectively
19 after the last private construction inspection report accepted under G.S. 160D-1105.1. The local
20 government may require submission of all accepted private construction inspection reports before
21 resuming inspections.

22 (e) Fees for Resumed Inspections. – A local government that resumes inspections under
23 subsection (d) of this section may charge the permit holder fees authorized by the local
24 government's adopted fee schedule for inspections performed by the local government after
25 resumption.

26 **"§ 160D-1105.4. Uniform forms for private construction inspection.**

27 (a) Definition. – For purposes of this section, "Board" means the North Carolina Code
28 Officials Qualification Board.

29 (b) Uniform Forms. – The Board shall develop uniform forms for private construction
30 inspections. The forms shall include all of the following:

- 31 (1) The notice of election to use a private construction inspector or private
32 construction inspection firm required under G.S. 160D-1105.1(f) and the
33 amended notice required under G.S. 160D-1105.1(g).
- 34 (2) Inspection reports required under G.S. 160D-1105.1(j), which may be specific
35 to each type of inspection being conducted.
- 36 (3) Private certificates of State Building Code compliance authorized under
37 G.S. 160D-1116.
- 38 (4) Any other form the Board determines necessary to implement private
39 construction inspections under this Article.

40 (c) Local Government Use of Forms. – A local government shall not require a different
41 form, modify a form developed under this section, or require information to be included on a
42 form developed under this section other than the information required by the Board, except that
43 a local government may require a permit number, project number, parcel number, or other local
44 identifier necessary to match the form to the local government's permit record.

45 (d) Public Availability. – The Office of the State Fire Marshal shall make the forms
46 developed under this section publicly available on its website."

47
48 **PART III. PERMIT RECORDS, CERTIFICATES, FEES, AND RELATED**
49 **CONFORMING CHANGES**

50 **SECTION 3.1. G.S. 160D-1109 reads as rewritten:**

51 **"§ 160D-1109. Failure to perform duties.**

1 (a) If any member of an inspection department shall willfully fail to perform the duties
2 required by law, or willfully shall improperly issue a building permit, or shall give a certificate
3 of compliance without first making the inspections required by law, or willfully shall improperly
4 give a certificate of compliance, the member shall be guilty of a Class 1 misdemeanor.

5 (b) A member of the inspection department shall not be in violation of this section when
6 the local government, its inspection department, or one of the inspectors ~~accepted~~ accepts
7 a signed written document of compliance with the North Carolina State Building Code from a
8 licensed architect or licensed engineer in accordance with ~~G.S. 160D-1104(d)~~ G.S. 160D-1106.

9 (c) A member of the inspection department shall not be in violation of this section when
10 the local government, its inspection department, or one of its inspectors acknowledges receipt of
11 or accepts either (i) an inspection report submitted under G.S. 160D-1105.1 by a private
12 construction inspector or private construction inspection firm or (ii) a private certificate of State
13 Building Code compliance submitted under G.S. 160D-1116(a1)."

14 **SECTION 3.2.** G.S. 160D-1110 is amended by adding new subsections to read:

15 "(c1) Notice of Private Construction Inspection After Delayed Local Inspection. – When
16 an owner, permit holder, contractor listed on the permit, or authorized agent elects to use a private
17 construction inspector or private construction inspection firm under G.S. 160D-1105.1, the notice
18 required by G.S. 160D-1105.1(f) and any amended notice required by G.S. 160D-1105.1(g) shall
19 be maintained by the inspection department in the permit record.

20 (c2) Permit Amendment Not Required for Private Inspection Election. – An election to
21 use a private construction inspector or private construction inspection firm under
22 G.S. 160D-1105.1 does not, by itself, require issuance of a new building permit or approval of a
23 permit amendment. The inspection department shall update the permit record to identify the
24 private construction inspector or private construction inspection firm and the inspection or
25 inspections to which the election applies, as shown in the notice required by G.S. 160D-1105.1(f)
26 or any amended notice required by G.S. 160D-1105.1(g).

27 (c3) Local Inspections and Reviews Preserved. – A local government issuing a building
28 permit for a project for which one or more private construction inspections are conducted under
29 G.S. 160D-1105.1 shall continue to perform any inspection or review that the local government
30 is otherwise authorized or required by law to perform and that is not within the scope of the
31 private construction inspection."

32 **SECTION 3.3.** G.S. 160D-1112 reads as rewritten:

33 **"§ 160D-1112. Changes in work.**

34 After a building permit has been issued, no changes or deviations from the terms of the
35 application, plans and specifications, or the permit, except where changes or deviations are
36 clearly permissible under the North Carolina State Building Code, shall be made until specific
37 written approval of proposed changes or deviations has been obtained from the inspection
38 department. An election to use a private construction inspector or private construction inspection
39 firm under G.S. 160D-1105.1 is not, by itself, a change or deviation from the terms of the
40 application, plans and specifications, or permit under this section."

41 **SECTION 3.4.** G.S. 160D-1116 reads as rewritten:

42 **"§ 160D-1116. Certificates of compliance; private certificates of State Building Code**
43 **compliance; temporary certificates of occupancy.**

44 (a) Certificate of Compliance. – At the conclusion of all work done under a building
45 permit, the appropriate inspector shall make a final inspection, and, if the completed work
46 complies with all applicable State and local laws and with the terms of the permit, the inspector
47 shall issue a certificate of compliance. Except as provided by subsection (b) of this section, no
48 new building or part thereof may be occupied, no addition or enlargement of an existing building
49 may be occupied, and no existing building that has been altered or moved may be occupied, until
50 the inspection department has issued a certificate of compliance. For a project for which one or
51 more private construction inspections are conducted under G.S. 160D-1105.1, the inspection

1 department may rely on an inspection report submitted under G.S. 160D-1105.1 or a private
2 certificate of State Building Code compliance submitted under subsection (a1) of this section in
3 determining whether to issue a certificate of compliance.

4 (a1) Private Certificate of State Building Code Compliance. – A private construction
5 inspector may issue a private certificate of compliance with the North Carolina State Building
6 Code only for the building, structure, unit, trade, system, phase, or portion of the project within
7 the scope of the private construction inspector's certificate, registration, notice, and written
8 contract under G.S. 160D-1105.1. A private certificate issued under this subsection is not a
9 certificate of compliance issued by the inspection department under subsection (a) of this section
10 and does not, by itself, authorize occupancy. A private certificate issued under this subsection
11 shall be on the form developed by the North Carolina Code Officials Qualification Board in the
12 Office of the State Fire Marshal under G.S. 160D-1105.4.

13 (a2) Submission and Acknowledgment. – A private construction inspector issuing a
14 private certificate of State Building Code compliance under subsection (a1) of this section shall
15 provide the inspection department with a copy of the private certificate by electronic mail,
16 first-class mail, physical delivery, or the local government's permitting system. The inspection
17 department shall promptly acknowledge receipt of the private certificate through the same
18 method, if practicable.

19 (b) Temporary Certificate of Occupancy. – A temporary certificate of occupancy may be
20 issued permitting occupancy for a stated period of time of either the entire building or of specified
21 portions of the building if the inspector finds that the building may safely be occupied ~~prior to~~
22 before its final completion. A permit holder may request and be issued a temporary certificate of
23 occupancy if the conditions and requirements of the North Carolina State Building Code are met.
24 For a project for which one or more private construction inspections are conducted under
25 G.S. 160D-1105.1, the inspection department may rely on an inspection report submitted under
26 G.S. 160D-1105.1 or a private certificate of State Building Code compliance submitted under
27 subsection (a1) of this section in determining whether to issue a temporary certificate of
28 occupancy.

29 (b1) Private Inspection Not Sole Basis to Withhold Occupancy Authorization. – An
30 inspection department shall not withhold a certificate of compliance or temporary certificate of
31 occupancy solely because an inspection report or private certificate of State Building Code
32 compliance has been submitted by a private construction inspector under this Article.

33 (b2) Local Reliance and Liability. – When an inspection department issues a certificate of
34 compliance or temporary certificate of occupancy for a project for which a private construction
35 inspector has submitted an inspection report under G.S. 160D-1105.1 or a private certificate of
36 State Building Code compliance under subsection (a1) of this section, the local government, the
37 inspection department, and the local government's inspectors may rely on the inspection report
38 or private certificate as evidence that the inspected work complies with the North Carolina State
39 Building Code. The local government, the inspection department, and the local government's
40 inspectors are not liable for a claim arising from or attributable to the private construction
41 inspector's inspection report or private certificate of State Building Code compliance.

42 (b3) Limits of Private Certificate. – A private certificate of State Building Code
43 compliance issued by a private construction inspector does not constitute approval of compliance
44 with zoning, subdivision, stormwater, erosion and sedimentation control, driveway, utility, fire
45 prevention system acceptance testing, or any other local or State law that is not part of the North
46 Carolina State Building Code.

47 (c) Occupancy Without Certificate. – Any person who owns, leases, or controls a
48 building and occupies or allows the occupancy of the building or a part of the building before a
49 certificate of compliance or temporary certificate of occupancy has been issued pursuant to
50 subsection (a) or (b) of this section is guilty of a Class 1 misdemeanor."

51 **SECTION 3.5.** G.S. 160D-402 reads as rewritten:

"§ 160D-402. Administrative staff.

...

(d) Financial Support. – The local government may appropriate for the support of the staff any funds that it deems necessary. It shall have power to fix reasonable fees for support, administration, and implementation of programs authorized by this Chapter. All fees collected by a building inspection department for the administration and enforcement of provisions set forth in Article 11 of this Chapter shall be used to support the administration and operations of the building inspection department and for no other purposes. When an inspection, for which the permit holder has paid a fee to the local government, is performed by a marketplace pool Code-enforcement official upon request of the State Fire Marshal under G.S. 143-151.12(9)a., the local government shall promptly return to the permit holder the fee collected by the local government for such inspection. When an inspection for which the permit holder has paid a fee to the local government is performed by a private construction inspector pursuant to G.S. 160D-1105.1, the local government shall provide the credit or refund required by G.S. 160D-1105.3. This subsection applies to the following types of inspection: plumbing, electrical systems, general building restrictions and regulations, heating and air-conditioning, and the general construction of buildings."

SECTION 3.6. G.S. 143-139.4 reads as rewritten:

"§ 143-139.4. Certain building inspections by State.

...

(m) Relationship to Private Construction Inspections. – This section does not limit the authority of an owner, permit holder, contractor listed on a permit, or authorized agent to elect to use a private construction inspector or private construction inspection firm under G.S. 160D-1105.1. If a request for an inspection under this section has been made and the inspection has not been conducted when an election is made under G.S. 160D-1105.1 for the same item of work under the North Carolina State Building Code, the election under G.S. 160D-1105.1 is not effective until the permit holder or requestor under this section withdraws the request under this section in writing or the State Fire Marshal declines to assign personnel to conduct the inspection. A person shall not use both a report of an inspection performed under this section and an inspection report submitted under G.S. 160D-1105.1 to establish compliance of the same item of work with the North Carolina State Building Code."

PART IV. IMPLEMENTATION AND EFFECTIVE DATE

SECTION 4.1.(a) Rulemaking. – To implement Parts I through III of this act, the North Carolina Code Officials Qualification Board (Board) in the Office of the State Fire Marshal may adopt temporary rules and shall begin rulemaking no later than 90 days after this act becomes law. A rule adopted pursuant to this subsection may become effective before July 1, 2027, but shall not authorize a private construction inspection under Article 11 of Chapter 160D of the General Statutes before July 1, 2027.

SECTION 4.1.(b) Forms, Registration, and Registry. – Notwithstanding the delayed effective date of Parts I through III of this act, the Board may, before July 1, 2027, develop the forms required by G.S. 160D-1105.4, as enacted by this act, establish the registration process required by G.S. 143-151.19A, as enacted by this act, establish and publish the registry required by G.S. 143-151.19A, as enacted by this act, accept applications for certification and registration as a private construction inspector or private construction inspection firm, and issue certificates and registrations under Article 9C of Chapter 143 of the General Statutes.

SECTION 4.1.(c) Limitation on Pre-Effective Date Certificates and Registrations. – A certificate or registration issued before July 1, 2027, pursuant to subsection (b) of this section does not authorize a person or firm to conduct a private construction inspection under Article 11 of Chapter 160D of the General Statutes before July 1, 2027.

1 **SECTION 4.2.** Effective Date. – Parts I through III of this act become effective July
2 1, 2027, and apply to inspection requests made on or after that date. The criminal penalties in
3 G.S. 143-151.18, as amended by this act, apply to offenses committed on or after that date. The
4 remainder of this act is effective when it becomes law.