

## North Carolina Licensing Board for General Contractors

March 31, 2017

Certified Mail - Return Receipt Requested

Joint Legislative Admin. Procedure Oversight Comm. 545 Legislative Office Building 300 N. Salisbury St. Raleigh, NC 27603

RE: Annual Report of Activities for 2016

Dear Sir/Madam:

The North Carolina Licensing Board for General Contractors is pleased to present to you this report of its activities for 2016.

The Licensing Board is comprised of nine members, serving 5-year staggered terms. The Board currently employs 16 full-time persons. As charged by our governing legislation at Chapter §87 Article 1 of the North Carolina General Statutes, the purpose of the Board is to regulate the practice of general contracting in North Carolina by evaluating licensure applications for specific criteria by granting licenses to qualified contractors. The Board also imposes disciplinary action in appropriate cases by suspending or revoking the licenses of general contractors who violate provisions of the Board's disciplinary statute. The Board receives no state funding to conduct its operations. Rather, the Board is receipt-supported, being funded entirely by application and licensing fees charged to contractors from North Carolina and other states.

Applicants must pass an examination before being licensed unless they are admitted by reciprocity. Once an examination has been passed, reexamination is not required unless a license has lapsed for a period of four or more years (N.C.G.S. §87-10(d)). All failing candidates are entitled to a review of their exam, thereby allowing the candidate an opportunity to determine which examination questions were answered incorrectly.

As of December 31, 2016, there were 32,538 general contractors licensed to operate in North Carolina. North Carolina's general contractor licensing laws provide that persons, firms or corporations who bid upon or who construct projects costing \$30,000 or more are first required to be licensed to practice general contracting.

In 2016, a total of 1,798 persons, firms or corporations applied to the Board for licensure and 1,093 examinations were administered. The overall pass rate for examinations

Page Two March 31, 2017

given in 2016 was 61%. The Board granted 1,315 general contractors licenses to persons, firms or corporations in 2016.

For the year 2016, the Board received 516 sworn complaints regarding contractors. In 2016, the Board revoked or suspended 23 licenses, issued 38 formal reprimands, and obtained 40 injunctions in Superior Court against unlicensed contractors for the unlicensed practice of general contracting. In other formal administrative action by the Board last year, three applicants were either conditionally delayed or denied issuance or reinstatement of licensure or the authorization to take an examination.

The Homeowners Recovery Fund is administered by the Board as provided for in G.S. §87-15.6 to reimburse homeowners in North Carolina who have suffered a reimbursable loss in the construction or alteration of a single-family dwelling in this state. There were 13 Recovery Fund Hearings conducted in 2015 allowing eligible claimants to present claims before the Board for reimbursement. A total of \$305,000 was awarded to eligible claimants.

Under, separate cover we will be sending you a current CD list of licensed contractors and audited financial statements for fiscal year(s) ended December 31, 2015 and 2016, as they become available later during 2017.

In 2016, there were no new rules proposed or adopted by the Board. The Board concluded its Periodic Review & Expiration of Existing Rules process in June 2016. The Board's current Laws & Rules can be found on the Board website at <a href="https://www.nclbgc.org">www.nclbgc.org</a>.

We hope that you have found this description of the Board's activities helpful.

Sincerely,

C. Frank Wiesner Secretary-Treasurer

2016 Members of the Licensing Board:

Rex Bost, Chairman
J. David Stike, Vice-Chairman
Bobby Lasater, P.E.

Lyle D. Gardner Allen Barnhill, Jr. Gray E. Pendleton

Larry Watson Sherry Harris C. Cleve Paul