

North Carolina Licensing Board for General Contractors April 29, 2022

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

RE: Annual Report of Activities for 2021

Dear Committee Members:

The North Carolina Licensing Board for General Contractors pursuant to N.C.G.S. §93B-2 is pleased to present to you this report of its activities for 2021.

The Licensing Board is comprised of nine members, serving 5-year staggered terms. The Board currently employs 20 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, licensing and education fees charged to contractors located in North Carolina as well as in other states, US Territories, and foreign countries.

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(f). 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, 2021, there were 27,736 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 shall be licensed to practice general contracting.

In 2021, a total of 2,652 persons, firms or corporations applied to the Board for licensure and 3,186 examinations were administered. The overall pass rate for examinations given in 2021 was 57%. The Board granted 1,692 general contractors licenses to persons, firms, or corporations in 2021. There were 46 applications submitted in 2021that included a felony conviction record, of those received, 35

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applications were granted a license and 11 were denied. There were no applications received in 2021 from applicants with military training or military spouses.

For the year 2021, the Board received 806 sworn complaints regarding contractors of which 448 were filed against unlicensed general contractors and 358 were filed against licensed general contractors. In 2021, the Board revoked or suspended 55 licenses, issued 92 formal reprimands, obtained 117 injunctions and 1 conviction for criminal contempt of court in Superior Court against unlicensed contractors engaged in the unlicensed practice of general contracting. In other formal administrative action by the Board last year, 11 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 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 17 Homeowners Recovery Fund Hearings conducted in 2021 allowing eligible claimants to present claims before the Board for reimbursement. A total of \$792,241.20 was awarded to eligible claimants.

In 2021 there were amendments to Chapter 87 of the General Statutes. The chapters amended included §§87-1.1, 87-10, 87-10.2, and 87-13. The Board amended, adopted, or repealed eleven (11) rules under 21 NCAC 12 which became effective on September 1, 2021, and January 1, 2022. The Board's current Laws & Rules can be found on the Board website at www.nclbgc.org.

Enclosed, pursuant to §93B-2(b) please find financial statements for fiscal year(s) ended December 31, 2020, and 2021. By our signatures below we affirm that we are authorized to respond on behalf of the Board. We further affirm that all information provided is truthful and correct. We hope that you have found this description of the Board's activities helpful.

Sincerely,

Lisa Piercy Board Chair C. Frank Wiesner Secretary-Treasurer

2021 Members of the Licensing Board:

Lee Thomason, Chairman
Lisa Piercy, Vice-Chair
Benton Albritton
John Cooper
Lyle Gardner (served until March 2021)
Robyn Hicks-Guinn

Henry Lanier Bobby Lasater, P.E. (Served until March 2021) Leon Meyer (Appointed March 2021) Elizabeth Phipps, P.E. (Appointed March 2021) George Ratchford