

North Carolina Licensing Board for General Contractors March 31, 2023

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

RE: Annual Report of Activities for 2022

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 2022.

The Licensing Board is comprised of nine members, serving 5-year staggered terms. The Board currently employs twenty full-time employees. 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, 2022, there were 29,551 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 2022, a total of 3,820 persons, firms or corporations applied to the Board for licensure and 3,186 examinations were administered. There were 25 applicants who were refused to sit for the examination. The overall pass rate for examinations given in 2022 was 57%. The Board granted 2,186 general contractors licenses to persons, firms, or corporations in 2022. There were 46 applications

Page Two March 31, 2023

submitted in 2022 that included a felony conviction record, resulting in, 35 applications with felony convictions being granted and 11 applications with felony convictions being denied. There were no applications received in 2022 from applicants with military training or military spouses.

For the year 2022, the Board received 933 sworn complaints regarding contractors of which 526 were filed against unlicensed general contractors and 407 were filed against licensed general contractors. In 2022, the Board revoked or suspended 36 licenses, issued 83 formal reprimands, obtained 234 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 singlefamily dwelling in this state. There were 9 Homeowners Recovery Fund Hearings conducted in 2022 allowing eligible claimants to present claims before the Board for reimbursement. A total of \$498,504 was awarded to eligible claimants.

In 2022 there were amendments to Chapter 87 of the General Statutes. The chapters amended included §§87-1.1, 87-10, and 87-14. The Board amended, adopted, or repealed four (4) rules under 21 NCAC 12 which became effective on September 1, 2022, and January 1, 2023. The Board's current Laws & Rules can be found on the Board website at www.nclbgc.org.

On or before April 30, 2023, pursuant to §93B-2(b) financial statements for fiscal year(s) ended December 31, 2021, and 2022 will be sent to all required agencies and authorities. 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,

Board Chair

Secretary-Treasurer

2022 Members of the Licensing Board

Lisa Piercy, Chair

Leon Meyers

Robyn Hicks-Guinn, Vice-Chair

Elizabeth Phipps, P.E.

John Cooper Carl Daniel

Eric Reichard

Henry Lanier

George Ratchford