

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE BILL 850
Second Edition Engrossed 6/28/23

Short Title: Licensing Board/Contractors & Inspectors. (Public)

Sponsors: Representative Brody.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Local Government - Land Use, Planning and Development, if favorable, Finance,
if favorable, Rules, Calendar, and Operations of the House

April 26, 2023

A BILL TO BE ENTITLED
AN ACT TO MAKE VARIOUS CHANGES TO LICENSING BOARDS RELATED TO
COMMERCIAL AND RESIDENTIAL BUILDINGS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-151.49(b) reads as rewritten:

"(b) Education Requirements. – The education program adopted by the Board may not consist of more than 200 hours of instruction. The instruction may include field training, classroom instruction, distance learning, peer review, and any other educational format approved by the Board. The Board may adopt rules regarding course content, approved course offerings, and other criteria for compliance with the education program."

SECTION 2. G.S. 143-151.57(a) reads as rewritten:

"(a) Maximum Fees. – The Board may adopt fees that do not exceed the amounts set in the following table for administering this Article:

Item	Maximum Fee
Application for home inspector license	\$35.00
Home inspector examination <u>examination, in person</u>	80.00
<u>Home inspector examination, online</u>	<u>135.00</u>
Issuance or renewal of home inspector license	160.00
Late renewal of home inspector license	30.00
Application for course approval	150.00
Renewal of course approval	75.00
Course fee, per credit hour per licensee	5.00
Credit for unapproved continuing education course	50.00
Copies of Board rules or licensure standards	Cost of printing and mailing."

SECTION 3. G.S. 143-151.13(f) reads as rewritten:

"(f) The Board shall issue a standard certificate to any person who passes the examination ~~and is currently licensed to practice as a(n):~~as any of the following:

- (1) Architect, registered pursuant to Chapter ~~83A~~83A of the General Statutes.
- (2) General contractor, licensed pursuant to Article 1 of Chapter ~~87~~87 of the General Statutes.
- (3) Plumbing or heating contractor, licensed pursuant to Article 2 of Chapter ~~87~~87 of the General Statutes.



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(4) Electrical contractor, licensed pursuant to Article 4 of Chapter ~~87; or, 87 of the~~
General Statutes.

(5) Professional engineer, registered pursuant to Chapter ~~89C; 89C of the General~~
Statutes.

provided the person successfully completes a short course, as prescribed by the Board, relating
to the State Building Code regulations and Code enforcement administration. The standard
certificate shall authorize the person to practice as a qualified Code-enforcement official in a
particular type of position at the level determined by the Board, based on the type of license or
registration held in any profession specified above."

SECTION 4. G.S. 143-151.16 is amended by adding a new subsection to read:

"(e) The Board shall approve course offerings for all continuing education programs and
may charge a fee of up to five hundred dollars (\$500.00) per course for review and approval of
the continuing education program."

SECTION 5. G.S. 143-151.13 is amended by adding a new subsection to read:

"(g) Notwithstanding any other subsection of this section, the Board, in conjunction with
the Department, may establish a voluntary apprenticeship program for any certificate issued
under this section. The voluntary apprenticeship program shall be a combination of course study
and work under a certified code enforcement official in that discipline, and the trainee shall be
required to pass standard examinations prior to issuance of any certificate. A fee may be charged
for participation in the voluntary apprenticeship program, not to exceed the cost of the program."

SECTION 6.(a) G.S. 87-7 reads as rewritten:

"§ 87-7. Records of Board; disposition of funds.

(a) ~~The secretary-treasurer shall keep a record of the proceedings minutes of the said
Board meetings and shall receive and account for all moneys derived from the Board's operation
of under this Article. Any funds remaining in the hands of the secretary-treasurer to the credit of
the Board after the expenses of the Board for the current year have been paid shall be paid over
to the Greater University of North Carolina for the use of the School of Engineering through the
North Carolina Engineering Foundation. The Board has the right, however, to retain at least ten
percent (10%) of the total expense it incurs for a year's operation to meet any emergency that
may arise.~~

(b) ~~As an expense of the Board, said the Board is authorized to expend such funds as it
as the Board deems necessary to provide retirement health insurance, retirement, and disability
compensation for its employees."~~

SECTION 6.(b) G.S. 87-8 reads as rewritten:

"§ 87-8. Records; roster of licensed contractors; report to Governor.

(a) ~~The secretary-treasurer shall keep a record of the proceedings of the Board and a
register of all applicants for license showing for each the applicant all of the following:~~

- (1) The date of application, name, qualifications, place application.
- (2) Name.
- (3) Qualifications.
- (4) Place of business, place of residence, and whether business.
- (5) Whether the license was granted or refused.

(b) ~~The books and register of this records of the Board shall be prima facie evidence of
all matters recorded therein. A roster showing the names and places of business and of residence
of all licensed general contractors shall be prepared by the secretary of the Board during the
month of March of each year; the roster shall be printed by the Board out of funds of the Board
as provided in G.S. 87-7, with copies being made available to contractors and members of the
public, at cost, upon request, or furnished without cost, as directed by the Board. On or before
the last day of March of each year the Board shall submit to the Governor a report of its
transactions for the preceding year, and shall file with the Secretary of State a copy of the report,
together with a complete statement of the receipts and expenditures of the Board, attested by the~~

affidavits of the chairman and the secretary, and a copy of the roster of licensed general contractors."

SECTION 7. G.S. 160D-1110, as amended by Section 16 of S.L. 2023-46, reads as rewritten:

"§ 160D-1110. Building permits.

(a) Except as provided in subsection (c) of this section, no person shall commence or proceed with any of the following without first securing all permits required by the State Building Code and any other State or local laws applicable to any of the following activities:

- (1) The construction, reconstruction, alteration, repair, movement to another site, removal, or demolition of any building or structure.
- (2) The installation, extension, or general repair of any plumbing system, except that in any one- or two-family dwelling unit a permit is not required for the connection of a water heater that is being replaced if (i) the work is performed by a person licensed under G.S. 87-21 who personally examines the work at completion and ensures that a leak test has been performed on the gas piping and (ii) the energy use rate or thermal input is not greater than that of the water heater that is being replaced, there is no change in fuel, energy source, location, capacity, or routing or sizing of venting and piping, and the replacement is installed in accordance with the current edition of the State Building Code.
- (3) The installation, extension, alteration, or general repair of any heating or cooling equipment system.
- (4) The installation, extension, alteration, or general repair of any electrical wiring, devices, appliances, or equipment, except that in any one- or two-family dwelling unit a permit is not required for repair or replacement of electrical lighting fixtures or devices, such as receptacles and lighting switches, or for the connection of an existing branch circuit to an electric water heater that is being replaced if all of the following requirements are met:
 - a. With respect to electric water heaters, the replacement water heater is placed in the same location and is of the same or less capacity and electrical rating as the original.
 - b. With respect to electrical lighting fixtures and devices, the replacement is with a fixture or device having the same voltage and the same or less amperage.
 - c. The work is performed by a person licensed under G.S. 87-43.
 - d. The repair or replacement installation meets the current edition of the State Building Code, including the State Electrical Code.

(a1) However, Notwithstanding subsection (a) of this section, a building permit is not required for the installation, maintenance, or replacement of any load control device or equipment by an electric power supplier, as defined in G.S. 62-133.8, or an electrical contractor contracted by the electric power supplier, so long as the work is subject to supervision by an electrical contractor licensed under Article 4 of Chapter 87 of the General Statutes. The electric power supplier shall provide the installation, maintenance, or replacement in accordance with (i) ~~an~~ either of the following:

- (1) An activity or program ordered, authorized, or approved by the North Carolina Utilities Commission pursuant to G.S. 62-133.8 or ~~G.S. 62-133.9~~ or (ii) a G.S. 62-133.9.
- (2) A similar program undertaken by a municipal electric service provider, whether the installation, modification, or replacement is made before or after the point of delivery of electric service to the customer. ~~This exemption applies to all existing installations.~~

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2 (h) No local government shall withhold a building permit or certificate of occupancy that
3 otherwise would be eligible to be issued under this section to compel, with respect to another
4 property or parcel, completion of work for a separate permit or compliance with land-use
5 regulations under this Chapter unless otherwise authorized by law or unless the local government
6 reasonably determines the existence of a public safety issue directly related to the issuance of a
7 building permit or certificate of occupancy.

8 (h1) Each local government shall report annually to the Department of Insurance as to the
9 building permits issued by that local government during the fiscal year, in a format as required
10 by the Department of Insurance. The report shall be broken down by category of permit and shall
11 include exemptions under G.S. 87-14.

12 (i) Violation of this section is a Class 1 misdemeanor."

13 **SECTION 8.** G.S. 113A-119 is amended by adding a new subsection to read:

14 "(d) All permit applications shall include the name and license number of the general
15 contractor, if applicable, and an estimate of the cost of the project."

16 **SECTION 9.(a)** G.S. 87-25.1 reads as rewritten:

17 **"§ 87-25.1. Board may seek injunctive relief.**

18 (a) Whenever it appears to the Board that any person, firm or corporation is violating any
19 of the provisions of this Article or of the rules and regulations of the Board promulgated under
20 this Article, the Board may apply to the superior court for a restraining order and injunction to
21 restrain the violation; ~~and the violation.~~ The superior courts have jurisdiction to grant the
22 requested relief, irrespective of whether or not criminal prosecution has been instituted or
23 administrative sanctions imposed by reason of the violation. ~~The court may award the Board its~~
24 ~~reasonable costs associated with the investigation and prosecution of the violation.~~

25 (b) When the Board prevails in actions brought under this section, the court shall award
26 the Board its reasonable attorney's fee not to exceed five thousand dollars (\$5,000) plus the costs
27 associated with obtaining the relief and the investigation and prosecution of the violation."

28 **SECTION 9.(b)** G.S. 87-48 is amended by adding a new subsection to read:

29 "(c) When the Board prevails in actions brought under this section, the court shall award
30 the Board its reasonable attorney's fee not to exceed five thousand dollars (\$5,000) plus the costs
31 associated with obtaining the relief and the investigation and prosecution of the violation."

32 **SECTION 10.(a)** G.S. 87-43.3(a)(1) reads as rewritten:

33 "(1) Limited, under which a licensee shall be permitted to engage in a single
34 electrical contracting project of a value, as established by the Board, not in
35 excess of one hundred thousand dollars (\$100,000) and on which the
36 equipment or installation in the contract is rated at not more than ~~600-1,000~~
37 volts. The limited classification and any special restricted classifications shall
38 require no more than 3,000 hours of experience, of which, no less than 2,000
39 hours shall consist of primary experience gained by direct installation of
40 electrical wiring and equipment governed by the National Electric Code."

41 **SECTION 10.(b)** This section becomes effective October 1, 2023, and applies to
42 applications for licensure submitted on or after that date.

43 **SECTION 11.** G.S. 87-43.1(8) reads as rewritten:

44 "(8) To the bonding of corrugated stainless steel tubing (CSST) gas piping systems
45 as required under Section 310.1.1 of the ~~2012-most current~~ N.C. Fuel Gas
46 Code."

47 **SECTION 12.** G.S. 87-44 reads as rewritten:

48 **"§ 87-44. Fees; license term.**

49 (a) The Board shall collect a fee from each applicant before granting or renewing a
50 license under the provisions of this ~~Article; the Article as follows:~~

- (1) The annual license fee for the limited classification shall not exceed one hundred dollars (\$100.00) for each principal and each branch place of business; the business.
- (2) The annual license fee for the intermediate classification shall not exceed one hundred fifty dollars (\$150.00) for each principal and each branch place of business; the business.
- (3) The annual license fee for the unlimited classification shall not exceed two hundred dollars (\$200.00) for each principal and each branch place of business; and the business.
- (4) The annual license fee for the special restricted classifications and for the single-family detached residential dwelling license shall not exceed one hundred dollars (\$100.00) for each principal and each branch place of business.
- (5) For each principal and each branch place of business, a fee of twenty-five dollars (\$25.00) per qualified individual employed.

(b) The Board shall establish a system for the renewal of licenses with varying expiration dates. However, all licenses issued by the Board shall expire one year after the date of issuance. Licenses shall be renewed by the Board, subject to G.S. 87-44.1 and G.S. 87-47, after receipt and evaluation of a renewal application from a licensee and the payment of the required fee. The application shall be upon a form provided by the Board and shall require such information as the Board may prescribe. Renewal applications and fees shall be due 30 days prior to the license expiration date.

(c) Upon failure to renew by the expiration date established by the Board, the license shall be automatically revoked. This license may be reinstated by the Board, subject to G.S. 87-44.1 and G.S. 87-47, upon payment of the license fee, an administrative fee of twenty-five dollars (\$25.00), and all fees for the lapsed period during which the person, partnership, firm or corporation engaged in electrical contracting, and, further, upon the satisfaction of such experience requirements during the lapse as the Board may prescribe by rule.

(d) The Board may collect fees from applicants for examinations in an amount not to exceed one hundred twenty-five dollars (\$125.00), except the fee for a specially arranged examination shall not exceed two hundred dollars (\$200.00). In addition, the Board may collect an examination review fee, not to exceed twenty-five dollars (\$25.00), from failed examinees who apply for a supervised review of their failed examinations."

SECTION 13.(a) Article 24 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-254.6. Powers of the Commission regarding certain fee negotiations, contracts, and capital improvements.

(a) Notwithstanding G.S. 143-341(3) and G.S. 143-135.1, the Commission shall, with respect to the design, construction, or renovation of property developments at boating access areas, public fishing areas, and game lands of the Commission, requiring the estimated expenditure of non-General Fund money of seven hundred fifty thousand dollars (\$750,000) or less:

- (1) Conduct the fee negotiations for all design contracts and supervise the letting of all construction and design contracts.
- (2) Develop procedures governing the responsibilities of the Commission to perform the duties of the Department of Administration and the Director or Office of State Construction under G.S. 133-1.1(d) and G.S. 143-341(3).

(b) The Commission shall use the standard contracts for design and construction currently in use for State capital improvement projects by the Office of State Construction of the Department of Administration.

(c) A contract may not be divided for the purpose of evading the monetary limit under this section.

(d) Notwithstanding any other provision of this Chapter, the Department of Administration shall not be the awarding authority for contracts awarded pursuant to this section.

(e) The Commission shall annually report the following to the State Building Commission:

(1) A list of projects governed by this section.

(2) The estimated cost of each project along with the actual cost.

(3) The name of each person or business awarded a contract under this section.

(4) Whether the person or business awarded a contract under this section meets the definition of "minority business" or "minority person" as defined in G.S. 143-128.2(g)."

SECTION 13.(b) This section becomes effective July 1, 2023.

SECTION 14. Except as otherwise provided, this act is effective when it becomes

law.