

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

H

4

**HOUSE BILL 661**  
**Committee Substitute Favorable 4/10/25**  
**Committee Substitute #2 Favorable 6/17/25**  
**Fourth Edition Engrossed 6/18/25**

Short Title: Building Industry Efficiency Act of 2025.

(Public)

Sponsors:

Referred to:

April 2, 2025

A BILL TO BE ENTITLED  
AN ACT TO AMEND VARIOUS LAWS TO PROVIDE ADDITIONAL BUILDING  
INDUSTRY EFFICIENCY.

The General Assembly of North Carolina enacts:

**PART I. LOCAL DEVELOPMENT AND CONSTRUCTION REGULATION**

**PROHIBIT INSPECTION DEPARTMENTS FROM CHARGING FEES FOR CERTAIN  
INSPECTION CANCELLATIONS**

**SECTION 1.1.** G.S. 160D-1104 is amended by adding a new subsection to read:  
"(d2) An inspection department shall not charge the permit holder a fee or fail an inspection of a building or structure subject to the North Carolina Residential Code, if the permit holder cancels a scheduled inspection more than one business day before the scheduled inspection."

**LIMIT DESIGN METHODOLOGY AND CONSTRUCTION STANDARDS FOR  
CERTAIN MUNICIPAL STREETS**

**SECTION 1.2.(a)** Article 15 of Chapter 160D of the General Statutes is amended by adding a new section to read:

**"§ 160D-1502. Limit street design methodology and construction standards for certain municipal streets.**

Notwithstanding G.S. 136-66.4, municipalities shall not implement design methodology and construction standards for new streets and highways to be accepted by a municipality, utilizing funds that are not wholly municipal funds, that are more stringent than design methodology and construction standards utilized by the North Carolina Department of Transportation. Nothing in this section limits the authority of the North Carolina Department of Transportation to regulate street connections to a public system as authorized by law."

**SECTION 1.2.(b)** This section becomes effective January 1, 2026, and applies to projects initiated on or after that date.

**LIMIT DESIGN METHODOLOGY AND CONSTRUCTION STANDARDS FOR  
CERTAIN PRIVATE STREETS**

**SECTION 1.3.(a)** Article 15 of Chapter 160D of the General Statutes is amended by adding a new section to read:



\* H 6 6 1 - V - 4 \*

**"§ 160D-1503. Limit street design methodology and construction standards for certain private streets.**

Municipalities shall not implement design methodology and construction standards for new streets designated as private, and intended to remain privately owned after construction, that are more stringent than design methodology and construction standards utilized by the North Carolina Department of Transportation. Notwithstanding any design methodology and construction standards implemented by the municipality, the municipality must accept engineered street design methodology and construction standards that do not meet minimum standards utilized by the North Carolina Department of Transportation if the engineered street design methodology and construction standards are signed and sealed by a duly licensed professional engineer, under Chapter 89C of the General Statutes, and meet vehicular traffic and fire apparatus access requirements. If engineered street design methodology and construction standards do not meet minimum standards utilized by the North Carolina Department of Transportation, the developer must include disclosures to prospective buyers as outlined in G.S. 136-102.6(f) prior to entering into any agreement or any conveyance with any prospective buyer. A local government is discharged and released from any liabilities, duties, and responsibilities imposed by this Chapter, or in common law, from any claim arising out of, or attributed to, the plan review or acceptance of signed and sealed engineered street design methodology and construction standards submitted pursuant to this section. Nothing in this section limits the authority of local governments or the North Carolina Department of Transportation to regulate private road, driveway, or street connection to a public system, or to regulate transportation and utilities as otherwise authorized by law."

**SECTION 1.3.(b)** This section becomes effective January 1, 2026, and applies to projects initiated on or after that date.

**LOCAL GOVERNMENT REQUIREMENTS FOR PEDESTRIAN FACILITIES AND ROADWAY IMPROVEMENTS IN EXTRATERRITORIAL JURISDICTION**

**SECTION 1.4.(a)** Article 15 of Chapter 160D of the General Statutes is amended by adding a new section to read:

**"§ 160D-1504. Local government requirements for pedestrian facilities and roadway improvements within extraterritorial jurisdiction.**

A local government that requires a developer to construct pedestrian facilities or roadway improvements, which include improvements within public right-of-way located outside of a construction project boundary, to standards or with attributes which would preclude a pedestrian facility or roadway improvement from acceptance by the North Carolina Department of Transportation, shall coordinate with the Department to enter into agreements for the local government to assume maintenance and repair responsibilities for the portions of pedestrian facilities or street improvements precluded from acceptance by the Department. This section applies to projects located within an extraterritorial jurisdiction established pursuant to Article 2 of this Chapter.

**SECTION 1.4.(b)** This section becomes effective January 1, 2026, and applies to projects initiated on or after that date.

**AMEND PUBLIC STREET DEDICATION ABANDONMENT PROCESS**

**SECTION 1.5.** G.S. 136-96 reads as rewritten:

**"§ 136-96. Road or street not used within 15 years after dedication deemed abandoned; declaration of withdrawal recorded; joint tenants or tenants in common; defunct corporations.**

(a) Every strip, piece, or parcel of land that has been at any time dedicated to public use as a road, highway, street, avenue, or for any other purpose whatsoever, by a deed, grant, map, plat, or other means, and that has not been actually opened and used by the public within 15 years

after its dedication is conclusively presumed to have been abandoned by the public for the purposes for which it was dedicated; and no person shall have any right or cause of action thereafter to enforce any public or private easement in the land.

(b) Notwithstanding subsection (a) of this section, no abandonment of any public or private right or easement shall be presumed until the dedicator or a person claiming under the dedicator files or causes to be recorded in the register's office of the county where the land lies a declaration withdrawing the strip, piece, or parcel of land from the public or private use to which it was dedicated.

(c) When the fee simple title is vested in tenants in common or joint tenants of any land embraced within the boundaries of a road, highway, street, avenue, or other land dedicated for any public purpose whatsoever, as described in this section, any one or more of the cotenants, on the cotenant's behalf and on behalf of the other cotenants, may execute and cause to be registered in the office of the register of deeds of the county where the land is situated the declaration of withdrawal provided for in this section. Under Chapter 46A (Partition) of the General Statutes and Article 29A (Judicial Sales) of Chapter 1 of the General Statutes, and on petition of any one or more of the cotenants, the land thereafter may be partitioned by sale only as between or among the cotenants, irrespective of who may be in actual possession of the land. In the partition proceeding, any cotenant may object to the withdrawal certificate and the court shall thereupon order the certificate cancelled of record.

(d) When any corporation has dedicated any strip, piece, or parcel of land in the manner set out in this section, and the dedicating corporation is no longer in existence, the corporation is conclusively presumed to have no further right, title, or interest in the land, regardless of the provisions of conveyances from the corporation, or those holding under the corporation, retaining title and interest in the land. The right, title, and interest in the land is conclusively presumed to be vested in those persons owning lots or parcels of land adjacent to it, subject to the provisions of this section.

(e) This section does not apply in any of the following circumstances:

(1) When the continued use of any strip of land dedicated for street or highway purposes is necessary to afford convenient ingress or egress to any lot or parcel of land sold and conveyed by the dedicator of the street or highway.

(2) When the public dedication is part of a future street shown on the street plan adopted pursuant to G.S. 136-66.2. Upon request, a city shall adopt a resolution indicating that the dedication described in the proposed declaration of withdrawal is or is not part of the street plan adopted under G.S. 136-66.2. This resolution shall be attached to the declaration of withdrawal and shall be registered in the office of the register of deeds of the county where the land is situated.

(f) Any strip, piece, or parcel of land that was dedicated to public use as a local road, highway, street, or avenue by plat on December 22, 1978, but that has not been maintained as a local public road, highway, street, or avenue by a local governmental entity by January 1, 2025, is hereby deemed withdrawn for public use, any rights of the public therein are deemed abandoned, and no person or governmental entity shall have any right or cause of action to enforce any public interest or easement in such land pursuant to this section."

## **PART II. NORTH CAROLINA STATE BUILDING CODE**

### **EXEMPT MODEL HOMES FROM FIRE PROTECTION WATER SUPPLY REQUIREMENT DURING CONSTRUCTION**

**SECTION 2.1.(a)** Definitions. – For the purposes of this section, the following definitions apply:

- (1) Code. – The North Carolina State Building Code, and amendments to the Code, as adopted by the Councils.
- (2) Councils. – The Building Code Council and Residential Code Council.
- (3) Model home. – As defined in G.S. 160D-1501(a).
- (4) Water Supply Rules. – Section 3312.1, when required, of the North Carolina Fire Code, and Section 3313.1, where required, of the North Carolina Building Code.

**SECTION 2.1.(b)** Water Supply Rules. – Until the effective date of the rules to amend Water Supply Rules, the Office of the State Fire Marshal, the Councils, and State and local governments enforcing the Code shall implement Water Supply Rules as provided in subsection (c) of this section.

**SECTION 2.1.(c)** Implementation. – Notwithstanding Water Supply Rules, the fire code official is authorized to reduce the fire-flow requirements for an isolated model home at a subdivision project site where development of full-fire flow requirements is impractical or pending.

**SECTION 2.1.(d)** Additional Rulemaking Authority. – The Council shall adopt rules to amend Water Supply Rules to be consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Council pursuant to this section shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided in G.S. 150B-21.3(b2).

**SECTION 2.1.(e)** Additional Residential Code Council Rulemaking Authority. – The Residential Code Council shall adopt rules to amend the 2024 North Carolina State Building Code volumes specified within G.S. 143-138(a)(1) through (10) to make conforming changes to codes applicable to residential construction consistent with rules adopted by the Building Code Council as required by subsection (d) of this section. Rules adopted pursuant to this subsection are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this subsection shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided in G.S. 150B-21.3(b2).

**SECTION 2.1.(f)** Sunset. – This section expires when permanent rules adopted as required by subsections (d) and (e) of this section become effective.

## **NORTH CAROLINA STATE BUILDING CODE VOLUME REFERENCE TECHNICAL CORRECTIONS**

**SECTION 2.2.(a)** G.S. 44A-11.1(a) reads as rewritten:

"(a) With regard to any improvements to real property to which this Article is applicable for which the costs of the undertaking are forty thousand dollars (\$40,000) or more, either at the time that the original building permit is issued or, in cases in which no building permit is required, at the time the contract for the improvements is entered into with the owner, the owner shall designate a lien agent no later than the time the owner first contracts with any person to improve the real property. Provided, however, that the owner is not required to designate a lien agent for improvements to an existing single-family residential dwelling unit as defined in G.S. 87-15.5(7) that is occupied by the owner as a residence, or for the addition of an accessory building or accessory structure as defined in the North Carolina ~~Uniform Residential Building Code~~, the use of which is incidental to that residence. The owner shall deliver written notice of designation to its designated lien agent by any method authorized in G.S. 44A-11.2(f), and shall include in its notice the street address, tax map lot and block number, reference to recorded instrument, or any other description that reasonably identifies the real property for the improvements to which the lien agent has been designated, and the owner's contact information. Designation of a lien agent

pursuant to this section does not make the lien agent an agent of the owner for purposes of receiving a Claim of Lien on Real Property, a Notice of Claim of Lien upon Funds, a Notice of Subcontract, or for any purpose other than the receipt of notices to the lien agent required under G.S. 44A-11.2."

**SECTION 2.2.(b)** G.S. 58-45-5(5) reads as rewritten:

"(5) Insurable property. – Real property at fixed locations in the beach and coastal area, including travel trailers when tied down at a fixed location, or the tangible personal property located therein, but shall not include insurance on motor vehicles; which property is determined by the Association, after inspection and under the criteria specified in the plan of operation, to be in an insurable condition. However, any one and two family dwellings built in substantial accordance with the Federal Manufactured Home Construction and Safety Standards, any predecessor or successor federal or State construction or safety standards, and any further construction or safety standards promulgated by the association and approved by the Commissioner, or ~~the North Carolina Uniform Residential Building Code~~ and any structure or building built in substantial compliance with the North Carolina State Building Code, including the design-wind requirements, which is not otherwise rendered uninsurable by reason of use or occupancy, shall be an insurable risk within the meaning of this Article. However, none of the following factors shall be considered in determining insurable condition: neighborhood, area, location, environmental hazards beyond the control of the applicant or owner of the property. Also, any structure begun on or after January 1, 1970, not built in substantial compliance with the Federal Manufactured Home Construction and Safety Standards, any predecessor or successor federal or State construction or safety standards, and any further construction or safety standards promulgated by the association and approved by the Commissioner, or ~~the North Carolina Uniform Residential Building Code~~ or ~~the North Carolina State Building Code~~, including the design-wind requirements therein, shall not be an insurable risk. The owner or applicant shall furnish with the application proof in the form of a certificate from a local building inspector, contractor, engineer or architect that the structure is built in substantial accordance with the Federal Manufactured Home Construction and Safety Standards, any predecessor or successor federal or State construction or safety standards, and any further construction or safety standards promulgated by the association and approved by the Commissioner, or ~~the North Carolina Uniform Residential Building Code~~ or the North Carolina State Building Code; however, an individual certificate shall not be necessary where the structure is located within a political subdivision which has certified to the Association on an annual basis that it is enforcing ~~the North Carolina Uniform Residential Building Code~~ or the North Carolina State Building Code and has no plans to discontinue enforcing these codes during that year."

**SECTION 2.2.(c)** G.S. 87-10(b1) reads as rewritten:

"(b1) Public utilities contractors constructing house and building sewer lines as provided in sub-subdivision a. of subdivision (3) of subsection (b) of this section shall, at the junction of the public sewer line and the house or building sewer line, install as an extension of the public sewer line a cleanout at or near the property line that terminates at or above the finished grade. Public utilities contractors constructing water service lines as provided in sub-subdivision a. of subdivision (3) of subsection (b) of this section shall terminate the water service lines at a valve, box, or meter at which the facilities from the building may be connected. Public utilities

1 contractors constructing fire service mains for connection to fire sprinkler systems shall terminate  
2 those lines at a flange, cap, plug, or valve inside the building one foot above the finished floor.  
3 All fire service mains shall comply with the NFPA standards for fire service mains as  
4 incorporated into and made applicable by ~~Volume V of the~~ North Carolina State Building Code."

5 **SECTION 2.2.(d)** G.S. 87-14(a1) reads as rewritten:

6 "(a1) Any person, firm, or corporation, upon making application to the building inspector  
7 or other authority of any incorporated city, town, or county in North Carolina charged with the  
8 duty of issuing building permits pursuant to G.S. 160D-1110 for any improvements for which  
9 the combined cost is to be forty thousand dollars (\$40,000) or more, other than for improvements  
10 to an existing single-family residential dwelling unit as defined in G.S. 87-15.5(7) that the owner  
11 occupies as a residence, or for the addition of an accessory building or accessory structure as  
12 defined in the North Carolina ~~Uniform Residential Building Code~~, the use of which is incidental  
13 to that residential dwelling unit, shall be required to provide to the building inspector or other  
14 authority the name, physical and mailing address, telephone number, facsimile number, and  
15 email address of the lien agent designated by the owner pursuant to G.S. 44A-11.1(a)."

16 **SECTION 2.2.(e)** G.S. 87-21(c1) reads as rewritten:

17 "(c1) Exemption. – The provisions of this Article shall not apply to a person who performs  
18 the on-site assembly of a factory designed drain line system for a manufactured home, as defined  
19 in G.S. 143-143.9(6), if the person (i) is a licensed manufactured home retailer, a licensed  
20 manufactured home set-up contractor, or a full-time employee of either, (ii) obtains an inspection  
21 by the local inspections department and (iii) performs the assembly according to the State-North  
22 Carolina Plumbing Code."

23 **SECTION 2.2.(f)** G.S. 143-150 reads as rewritten:

24 **"§ 143-150. No electricity to be furnished units not in compliance.**

25 It is unlawful for any person to furnish electricity for use in any manufactured home without  
26 first ascertaining that the manufactured home and its electrical supply has been inspected  
27 pursuant to G.S. 143-139 by the inspection authority having jurisdiction and found to comply  
28 with the requirements of the State-North Carolina Electrical Code. The certificate of compliance  
29 issued by the inspection jurisdiction shall be accepted as evidence of compliance."

30 **SECTION 2.2.(g)** G.S. 160D-702(c) reads as rewritten:

31 "(c) A zoning or other development regulation shall not do any of the following:

- 32 (1) Set a minimum square footage of any structures subject to regulation under  
33 the North Carolina Residential Code.
- 34 (2) Require a parking space to be larger than 9 feet wide by 20 feet long unless  
35 the parking space is designated for handicap, parallel, or diagonal parking.
- 36 (3) Require additional fire apparatus access roads into developments of one- or  
37 two-family dwellings that are not in compliance with the required number of  
38 fire apparatus access roads into developments of one- or two-family dwellings  
39 set forth in the ~~Fire Code of the North Carolina Residential Code for One- and~~  
40 ~~Two-Family Dwellings~~ North Carolina Fire Code."

41 **SECTION 2.2.(h)** G.S. 160D-1117 reads as rewritten:

42 **"§ 160D-1117. Periodic inspections.**

43 The inspection department may make periodic inspections, subject to the governing board's  
44 directions, for unsafe, unsanitary, or otherwise hazardous and unlawful conditions in buildings  
45 or structures within its planning and development regulation jurisdiction. In exercising this  
46 power, members of the department shall have a right to enter on any premises within the  
47 jurisdiction of the department at all reasonable hours for the purposes of inspection or other  
48 enforcement action, upon presentation of proper credentials. Inspections of dwellings shall  
49 follow the provisions of G.S. 160D-1207. Nothing in this section shall be construed to prohibit  
50 periodic inspections in accordance with ~~State fire prevention code~~ the North Carolina Fire Code  
51 or as otherwise required by State law."

**SECTION 2.2.(i)** G.S. 160D-1207(a) reads as rewritten:

"(a) Except as provided in subsection (b) of this section, the inspection department may make periodic inspections only when there is reasonable cause to believe that unsafe, unsanitary, or otherwise hazardous or unlawful conditions may exist in a residential building or structure. However, when the inspection department determines that a safety hazard exists in one of the dwelling units within a multifamily building, which in the opinion of the inspector poses an immediate threat to the occupant, the inspection department may inspect, in the absence of a specific complaint and actual knowledge of the unsafe condition, additional dwelling units in the multifamily building to determine if that same safety hazard exists. For purposes of this section, the term "reasonable cause" means any of the following: (i) the landlord or owner has a history of more than two verified violations of the housing ordinances or codes within a 12-month period, (ii) there has been a complaint that substandard conditions exist within the building or there has been a request that the building be inspected, (iii) the inspection department has actual knowledge of an unsafe condition within the building, or (iv) violations of the local ordinances or codes are visible from the outside of the property. In conducting inspections authorized under this section, the inspection department shall not discriminate between single-family and multifamily buildings or between owner-occupied and tenant-occupied buildings. In exercising this power, members of the department shall have a right to enter on any premises within the jurisdiction of the department at all reasonable hours for the purposes of inspection or other enforcement action, upon presentation of proper credentials. Nothing in this section shall be construed to prohibit periodic inspections in accordance with ~~State fire prevention code~~ the North Carolina Fire Code or as otherwise required by State law."

**SECTION 2.2.(j)** G.S. 162A-900(c) reads as rewritten:

"(c) A local government unit, as defined in G.S. 162A-201, shall not implement a scoring or preference system to allocate water or sewer service among applicants for water or sewer service for residential development that does any of the following:

- (1) Includes consideration of building design elements, as defined in G.S. 160D-702(b).
- (2) Sets a minimum square footage of any structures subject to regulation under the North Carolina Residential Code.
- (3) Requires a parking space to be larger than 9 feet wide by 20 feet long unless the parking space is designated for handicap, parallel, or diagonal parking.
- (4) Requires additional fire apparatus access roads into developments of one- or two-family dwellings that are not in compliance with the required number of fire apparatus access roads into developments of one- or two-family dwellings set forth in the ~~Fire Code of the North Carolina Residential Code~~ North Carolina Fire Code."

**SECTION 2.2.(k)** G.S. 143-151.8 reads as rewritten:**"§ 143-151.8. Definitions.**

(a) The following definitions apply in this Article:

...

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

...

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

- 1 ...
- 2 (3) Refusing to allow an alternative construction method currently included in the
- 3 ~~Building Code~~ under the conditions or circumstances set forth in the Code for
- 4 that alternative method.
- 5 ...
- 6 (7) Enforcing a Code official's preference in the method or manner of installation
- 7 of heating ventilation and air-conditioning units, appliances, or equipment if
- 8 it is not required by the ~~State Building Code~~ and is in contradiction of a
- 9 manufacturer's installation instructions or specifications."
- 10

11 **DIRECT THE NORTH CAROLINA BUILDING CODE COUNCIL TO ADOPT RULES**

12 **TO AMEND THE STATE BUILDING CODE AND STATE FIRE CODE TO CLARIFY**

13 **EXEMPTIONS FROM IN-BUILDING EMERGENCY RESPONDER**

14 **COMMUNICATION COVERAGE REQUIREMENTS**

15 **SECTION 2.3.(a)** Definitions. – For purposes of this section, the following are

16 defined:

- 17 (1) Code. – The North Carolina State Building Code collection, including the
- 18 North Carolina Fire Code, and amendments thereto, as adopted by the
- 19 Council.
- 20 (2) Council. – The North Carolina Building Code Council.
- 21 (3) Emergency responder communication coverage requirements. – The
- 22 requirements for in-building emergency responder communications coverage
- 23 systems specified under Section 510 of the North Carolina Fire Code.

24 **SECTION 2.3.(b)** Exemptions Established. – Notwithstanding the emergency

25 responder communication coverage requirements of the Code, the following buildings and

26 structures, whether existing, newly constructed, or altered after the effective date of this act, are

27 exempt from those requirements:

- 28 (1) R-2 apartment occupancies of Type V construction that meet the egress
- 29 requirements of the North Carolina State Building Code.
- 30 (2) Apartment buildings and transient public lodging establishments, including
- 31 hotels and motels, not exceeding two stories above grade plane and that
- 32 provide direct exterior egress from each dwelling unit or guest room.

33 **SECTION 2.3.(c)** Treatment of Existing Systems in Exempted Buildings. –

34 Notwithstanding Section 901.6 of the North Carolina Fire Code or any other provision of the

35 Code that might require the removal of nonrequired, obsolete, or abandoned systems, an

36 emergency responder communication coverage system installed prior to the effective date of this

37 section in a building or structure that meets the exemption criteria established in subsection (b)

38 of this section shall only be required to have only active components of the enhancement system

39 to render them inoperative removed. Systems that are monitored by a fire alarm system shall be

40 properly disconnected to eliminate unnecessary supervisory signals.

41 **SECTION 2.3.(d)** Rulemaking Required. – The Council shall adopt rules to amend

42 the Code, specifically Section 510 of the North Carolina Fire Code and any related sections

43 addressing emergency responder communication coverage, to incorporate the exemptions listed

44 in subsection (b) of this section and the provisions regarding existing systems in subsection (c)

45 of this section. Notwithstanding G.S. 150B-19(4), the rules adopted by the Council pursuant to

46 this section shall be substantively identical to the provisions of subsections (b) and (c) of this

47 section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter

48 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as

49 provided in G.S. 150B-21.3(b1), as though 10 or more written objections had been received as

50 provided in G.S. 150B-21.3(b2).



1           **SECTION 2.3.(e)** Interim Application of Exemptions. – Until the effective date of  
2 the permanent rules that the Council is required to adopt pursuant to subsection (d) of this section,  
3 the Council and local governments enforcing the Code shall not enforce the emergency responder  
4 communication coverage requirements against buildings and structures that meet the exemption  
5 criteria established in subsection (b) of this section and shall apply the provisions regarding  
6 existing systems established in subsection (c) of this section.

7           **SECTION 2.3.(f)** Sunset. – This section expires when permanent rules adopted as  
8 required by subsection (d) of this section become effective.

### 9 10 **PART III. VARIOUS CONTRACTOR BOARDS**

#### 11 12 **LIMITED EXEMPTION FOR PLUMBING AND HEATING CONTRACTOR BOARD** 13 **INVESTIGATIVE RECORDS FROM PUBLIC RECORDS**

14           **SECTION 3.1.** Article 2 of Chapter 87 of the General Statutes is amended by adding  
15 a new section to read:

##### 16 **"§ 87-22.3. Investigation records of the Board.**

17       All records, papers, investigative files, investigative notes, reports, other investigative  
18 information, and other documents containing information in the possession of or received,  
19 gathered, or completed by the Board, its members, staff, employees, attorneys, or consultants as  
20 a result of investigations, inquiries, assessments, or interviews conducted in connection with a  
21 license application or disciplinary action initiated by the Board, shall not be considered public  
22 records within the meaning of Chapter 132 of the General Statutes. Documents described in this  
23 section are privileged, confidential, and not subject to discovery, subpoena, or other means of  
24 legal compulsion for release to any person other than the Board or its employees or consultants.  
25 If any record, paper, or other document containing information collected and compiled by or on  
26 behalf of the Board is received and admitted in evidence in any hearing before the Board, the  
27 documents shall be a public record within the meaning of Chapter 132 of the General Statutes."

#### 28 29 **LIMITED EXEMPTION FOR ELECTRICAL CONTRACTOR BOARD** 30 **INVESTIGATIVE RECORDS FROM PUBLIC RECORDS**

31           **SECTION 3.2.** Article 4 of Chapter 87 of the General Statutes is amended by adding  
32 a new section to read:

##### 33 **"§ 87-47.1. Investigation records of the Board.**

34       All records, papers, investigative files, investigative notes, reports, other investigative  
35 information, and other documents containing information in the possession of or received,  
36 gathered, or completed by the Board, its members, staff, employees, attorneys, or consultants as  
37 a result of investigations, inquiries, assessments, or interviews conducted in connection with a  
38 license application or disciplinary action initiated by the Board shall not be considered public  
39 records within the meaning of Chapter 132 of the General Statutes. Documents described in this  
40 section are privileged, confidential, and not subject to discovery, subpoena, or other means of  
41 legal compulsion for release to any person other than the Board or its employees or consultants.  
42 If any record, paper, or other document containing information collected and compiled by or on  
43 behalf of the Board is received and admitted in evidence in any hearing before the Board, the  
44 documents shall be a public record within the meaning of Chapter 132 of the General Statutes."

#### 45 46 **EXEMPT CERTAIN CONSTRUCTION TRADES FROM GENERAL CONTRACTOR** 47 **LICENSURE REQUIREMENTS AND RELATED BUILDING PERMIT EXEMPTIONS**

48           **SECTION 3.3.(a)** G.S. 87-1 reads as rewritten:

##### 49 **"§ 87-1. "General contractor" defined; exceptions.**

50       (a) For the purpose of this Article any person or firm or corporation who for a fixed price,  
51 commission, fee, or wage, undertakes to bid upon or to construct or who undertakes to

superintend or manage, on ~~his~~the person's own behalf or for any person, firm, or corporation that is not licensed as a general contractor pursuant to this Article, the construction of any building, highway, public utilities, grading or any improvement or structure where the cost of the undertaking is forty thousand dollars (\$40,000) or more, or undertakes to erect a North Carolina labeled manufactured modular building meeting the North Carolina State Building Code, shall be deemed to be a "general contractor" engaged in the business of general contracting in the State of North Carolina.

(b) This section shall not apply to the following:

- (1) Persons, firms, or corporations furnishing or erecting industrial equipment, power plan equipment, radial brick chimneys, and monuments.
- (2) Any person, firm, or corporation who constructs or alters a building on land owned by that person, firm, or corporation provided (i) the building is intended solely for occupancy by that person and his family, firm, or corporation after completion; and (ii) the person, firm, or corporation complies with G.S. 87-14. If the building is not occupied solely by the person and ~~his~~that person's family, firm, or corporation for at least 12 months following completion, it shall be presumed that the person, firm, or corporation did not intend the building solely for occupancy by that person and ~~his~~that person's family, firm, or corporation.
- (3) Any person engaged in the business of farming who constructs or alters a building on land owned by that person and used in the business of farming, when the building is intended for use by that person after completion.
- (4) Any person engaged in the business of providing the following installation, maintenance, or replacement services related to the construction or improvement of a building or structure:
  - a. Floor covering services.
  - b. Painting services."

**SECTION 3.3.(b)** G.S. 160D-1110 is amended by adding a new subsection to read:

"(c1) A building permit is not required for installation, maintenance, or replacement services described in G.S. 87-1(b)(4) in the construction or improvement of a building or structure subject to the North Carolina Residential Code."

**SECTION 3.3.(c)** G.S. 143-138 is amended by adding a new subsection to read:

"(b25) Permit Exclusion for Certain Services. – No permit shall be required under the Code for installation, maintenance, or replacement services described in G.S. 87-1(b)(4) in the construction or improvement of a building or structure subject to the North Carolina Residential Code."

**SECTION 3.3.(d)** This section becomes effective January 1, 2026.

## **REMOVE BOARD FOR GENERAL CONTRACTORS REQUIREMENT TO CREDIT THE NORTH CAROLINA ENGINEERING FOUNDATION**

**SECTION 3.4.(a)** G.S. 87-7 reads as rewritten:

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

The secretary-treasurer shall keep a record of the proceedings of the ~~said~~ Board and shall receive and account for all moneys derived from the operation of 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. As an expense of the Board, said the Board is authorized to expend such funds as it deems necessary to provide retirement and disability compensation for its employees."~~

SECTION 3.4.(b) This section becomes effective July 1, 2025.

AMEND NORTH CAROLINA LICENSING BOARD FOR GENERAL CONTRACTORS  
DISCIPLINARY ACTION AUTHORITY

SECTION 3.5.(a) G.S. 87-11 reads as rewritten:

"§ 87-11. ~~Revocation of license; charges of fraud, negligence, incompetency, etc.;~~  
Disciplinary action; hearing thereon; reissuance of certificate procedures.

(a) The Board shall have the power to refuse to issue or ~~renew or renew~~, revoke, suspend, or restrict a certificate of license or to issue a reprimand or take other disciplinary action if a ~~general contractor licensed under this Article is found guilty of any licensee, qualifier, or applicant:~~

- (1) Employs the use of fraud or deceit—misrepresentation in obtaining or attempting to obtain or renew a license, or license.
- (2) Commits an act of gross negligence, incompetency, or misconduct in the practice of his or her profession, or willful violation of general contracting.
- (3) Willfully violates any provision of this Article—Article, or any rules adopted by the Board.
- (4) Willfully violates any order of the Board.

(a1) The Board shall also have the power to revoke, suspend, or otherwise restrict the ability of any person to act as a qualifying party for a license to practice general contracting, as provided in G.S. 87-10(c), for any copartnership, corporation or any other organization or combination, if that person committed any act in violation of the provisions of this section and the Board may also take disciplinary action against the individual license held by that person.

~~(a1)(a2)~~ Any ~~person may prefer charges of fraud, deceit, negligence, or misconduct person,~~ including the Board on its own initiative, may submit a complaint against any ~~general contractor licensed licensee, qualifier, or applicant under this Article. The charges—All complaints~~ shall be in writing and sworn-affirmed to by the complainant and submitted to the Board. The Board shall not accept complaints from an anonymous complainant. The Board is authorized to investigate complaints alleging violations of this Article or any rule promulgated by the Board. The charges, complaint, unless dismissed without hearing by the Board as unfounded or trivial, Board, shall be heard and determined by the Board in accordance with the provisions of Chapter 150B of the General Statutes.

(b) The Board shall adopt and publish ~~guidelines, rules~~ consistent with the provisions of this ~~Article, governing the suspension and revocation of licenses.~~ Article.

(c) ~~The Board shall establish and maintain a system whereby detailed records are kept regarding complaints against each licensee. This record shall include, for each licensee, the date and nature of each complaint, investigatory action taken by the Board, any findings by the Board, and the disposition of the matter.~~

(d) ~~The Board may reissue a license to any person, firm or corporation whose license has been revoked: Provided, five or more members of the Board vote in favor of such reissuance for reasons the Board may deem sufficient.~~

~~The Board shall immediately notify the Secretary of State of its findings in the case of the revocation of a license or of the reissuance of a revoked license.~~

~~A certificate of license to replace any certificate lost, destroyed or mutilated may be issued subject to the rules and regulations of the Board.~~

(e) The Board shall be entitled to recover its reasonable administrative costs associated with the investigation and prosecution of a complaint alleging a violation of this Article or rules or regulations of the Board up to a maximum of five thousand dollars (\$5,000) for any licensee or qualifying party licensee, qualifier, or applicant found to have committed any of the following violations enumerated in subdivisions (1) through (4) of subsection (a) of this section.

- (1) ~~Fraud or deceit in obtaining a license.~~

(2) ~~Gross negligence, incompetency, or misconduct in the practice of general contracting.~~

(3) ~~Willful violation of any provision of this Article."~~

**SECTION 3.5.(b)** G.S. 87-15.3 reads as rewritten:

**"§ 87-15.3. Identity of complaining party confidential.**

Once a complaint has been filed with the Board against a ~~licensee~~licensee, qualifier, or applicant or an unlicensed general contractor, the Board may, in its discretion, keep the identity of a complaining party confidential and not a public record within the meaning of Chapter 132 of the General Statutes until a time no later than the receipt of the complaint by the full Board for a disciplinary hearing or injunctive action."

**SECTION 3.5.(c)** This section is effective when it becomes law and applies to actions filed or commenced on or after that date.

## **PROHIBIT GENERAL CONTRACTOR REEXAMINATION WHILE COURT AWARDS REMAIN UNPAID**

**SECTION 3.6.(a)** G.S. 87-13.1 reads as rewritten:

**"§ 87-13.1. Board may seek injunctive relief; attorney's fee.**

(a) Whenever the Board determines that any person, firm or corporation has violated or is violating any of the provisions of this Article or rules ~~and regulations~~ of the Board promulgated under this Article, the Board may apply to the superior court for a restraining order and injunction to restrain the violation; and the superior courts have jurisdiction to grant the requested relief, irrespective of whether or not criminal prosecution has been instituted or administrative sanctions imposed by reason of the violation.

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

(c) Examination applicants who have failed to pay a court award pursuant to subsection (b) of this section shall not be allowed to take any examination offered by the Board until the award has been satisfied."

**SECTION 3.6.(b)** This section is effective when it becomes law and applies to actions filed or commenced on or after that date.

## **MODERNIZE GENERAL CONTRACTOR LAWS**

**SECTION 3.7.** Article 1 of Chapter 87 of the General Statutes reads as rewritten:

**"Chapter 87.**

**"Contractors.**

**"Article 1.**

**"General Contractors.**

...

**"§ 87-2. Licensing Board; organization.**

There is created the State Licensing Board for General Contractors consisting of nine members appointed by the Governor for staggered five-year terms. Five of the members shall be general contractors, one member shall be a registered engineer who practices structural engineering, and three shall be public members. Of the general contractor members, one shall have as the larger part of ~~his-the contractor's~~ business the construction of highways; one shall have as the larger part of ~~his-the contractor's~~ business the construction of public utilities; one shall have as the larger part of ~~his-the contractor's~~ business the construction of buildings; and two shall have as a larger part of ~~their-the contractor's~~ businesses the construction of residences, one of whom shall be the holder of an unlimited general contractor's license. The public members shall have no ties with the construction industry and shall represent the interests of the public at large. Members shall serve until the expiration of their respective terms and until their successors

are appointed and qualified. Vacancies occurring during a term shall be filled by appointment of the Governor for the remainder of the unexpired term. The Governor may remove any member of the Board for misconduct, incompetency, or neglect of duty. No Board member shall serve more than two complete consecutive terms.

**"§ 87-3. Members of Board to take oath.**

Each member of the Board shall, before entering upon the discharge of the duties of ~~his-the~~ member's office, take and file with the Secretary of State an oath in writing to properly perform the duties of ~~his-the member's~~ office as a member of ~~said-the~~ Board and to uphold the Constitution of North Carolina and the Constitution of the United States.

**"§ 87-4. First meeting of Board; officers; secretary-treasurer and assistants.**

The ~~said~~ Board shall, within 30 days after its appointment by the Governor, meet in the City of Raleigh, at a time and place to be designated by the Governor, and organize by electing a ~~chairman, a vice-chairman, chair, a vice-chair,~~ and a secretary-treasurer, each to serve for one year. ~~Said-The~~ Board shall have power to make ~~such~~ bylaws, rules and regulations as it shall deem best, provided the same are not in conflict with the laws of North Carolina. The secretary-treasurer shall give bond in such sum as the Board shall determine, with such security as shall be approved by the Board, said bond to be conditioned for the faithful performance of the duties of ~~his-the~~ secretary-treasurer's office and for the faithful accounting of all moneys and other ~~property as shall come into his hands,~~ property of the Board. The secretary-treasurer need not be a member of the ~~Board, and the~~ Board. The Board is hereby authorized to employ a full-time ~~secretary-treasurer, secretary-treasurer~~ and ~~such~~ other assistants and make ~~such~~ other expenditures as may be necessary to the proper carrying out of the provisions of this Article. Payment of compensation and reimbursement of expenses of board members shall be governed by G.S. 93B-5.

...

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

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 date of application, name, qualifications, place of business, place of residence, and whether license was granted or refused. The books and register of ~~this-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.

**"§ 87-9. Compliance with Federal Highway Act, etc.; contracts financed by federal road funds; contracts concerning water or waste water systems.**

Nothing in this Article shall operate to prevent the Department of Transportation from complying with any act of Congress and any rules and regulations promulgated pursuant thereto for carrying out the provisions of the Federal Highway Act, or shall apply to any person, firm or corporation proposing to submit a bid or enter into contract for any work to be financed in whole or in part with federal aid road funds in ~~such-a~~ manner as-that will conflict with any act of Congress or any such rules and regulations promulgated pursuant thereto.

Neither shall anything in this Article prevent the State of North Carolina or any of its political subdivisions or their contractors from complying with any act of Congress and any rules and regulations promulgated pursuant thereto for carrying out the provisions of any federal program

to assist in the planning, financing, or construction of drinking water or waste water processing, collection, and disposal systems and facilities.

**"§ 87-10. Application for license; examination; certificate; renewal.**

(c) If an applicant is an individual, examination may be taken by ~~his~~the applicant's personal appearance for examination, or by the appearance for examination of one or more of ~~his~~the applicant's responsible managing employees. If an applicant is a copartnership, a corporation, or any other combination or organization, the examination may be taken by one or more of the responsible managing officers or members of the personnel of the applicant.

**"§ 87-10.1. Licensing of nonresidents.**

(d) Delinquents. – If the Secretary of Revenue determines that any nonresident individual or foreign corporation licensed by the ~~board,~~Board, a member of any foreign limited liability company licensed by the Board, or a partner in any foreign partnership licensed by the Board, owes a delinquent income tax debt, the Secretary of Revenue may notify the Board of these nonresident individuals and foreign entities and instruct the Board not to renew their certificates of license. The Board shall not renew the certificate of license of such a nonresident individual or foreign entity identified by the Secretary of Revenue unless the Board receives a written statement from the Secretary that the debt either has been paid or is being paid pursuant to an installment agreement.

**"§ 87-10.2. Continuing education.**

(g) Continuing education requirements shall begin on January 1 of any calendar year and shall be completed by November 30 of that calendar year. The Board shall establish a 90-day grace period following November 30 of each calendar year for any qualifier or qualifying party who has failed to complete the continuing education requirement. Failure of the qualifier or qualifying party of the entity holding a building contractor, residential contractor, or unclassified contractor license classification to satisfy the annual continuing education requirement by the expiration of the grace period shall result in the license of the entity being invalidated until ~~such~~the time that continuing education and all other licensing requirements have been met.

**"§ 87-12. Certificate evidence of license.**

The issuance of a certificate of license or limited license by this Board shall be evidence that the person, firm, or corporation named therein is entitled to all the rights and privileges of a licensed or limited licensed general contractor while said license remains unrevoked or unexpired. A licensed general contractor holding a license which qualifies ~~him~~the contractor for work as described in G.S. 87-10 shall be authorized to perform the said work without any additional occupational license, notwithstanding the provisions of any other occupational licensing statute. A license issued by any other occupational licensing board having jurisdiction over any work described in G.S. 87-10 shall qualify ~~such~~the licensee to perform the work for which the license qualifies ~~him~~—without obtaining the license from the General Contractors Licensing Board. Nothing contained herein shall operate to relieve any general contractor from the necessity of compliance with other provisions of the law requiring building permits and construction in accordance with appropriate provisions of the North Carolina State Building Code.

**"§ 87-13. Unauthorized practice of contracting; impersonating contractor; false certificate; giving false evidence to Board; penalties.**

Any person, firm, or corporation not being duly authorized who shall contract for or bid upon the construction of any of the projects or works enumerated in G.S. 87-1, without having first

1 complied with the provisions hereof, or who shall attempt to practice general contracting in the  
2 State, except as provided for in this Article, and any person, firm, or corporation presenting or  
3 attempting to file as ~~his~~their own the licensed certificate of another or who shall give false or  
4 forged evidence of any kind to the Board or to any member thereof in maintaining a certificate  
5 of license or who falsely shall impersonate another or who shall use an expired or revoked  
6 certificate of license, or who falsely claims or suggests in connection with any business activities  
7 regulated by the Board that a person, firm, or corporation is licensed under this Chapter, and any  
8 architect or engineer who recommends to any project owner the award of a contract to anyone  
9 not properly licensed under this Article, shall be deemed guilty of a Class 2 misdemeanor. And  
10 the Board may, in its discretion, use its funds to defray the expense, legal or otherwise, in the  
11 prosecution of any violations of this Article. No architect or engineer shall be guilty of a violation  
12 of this section if ~~his recommendation~~either of their recommendations to award a contract is made  
13 in reliance upon current written information received by ~~him~~the architect or engineer from the  
14 appropriate Contractor Licensing Board of ~~this~~the State which information erroneously indicates  
15 that the contractor being recommended for contract award is properly licensed.

16 ...

17 **"§ 87-15. Copy of Article included in specifications; bid not considered unless contractor**  
18 **licensed.**

19 All architects and engineers preparing plans and specifications for work to be contracted in  
20 the State of North Carolina shall include in their invitations to bidders and in their specifications  
21 a copy of this Article or ~~such~~ portions thereof as are deemed necessary to convey to the invited  
22 bidder, whether ~~he~~the bidder be a resident or nonresident of this State and whether a license has  
23 been issued to ~~him~~the bidder or not, the information that it will be necessary for ~~him~~the bidder  
24 to show evidence of a license before ~~his~~the bidder's bid is considered.

25 **"§ 87-15.1. Reciprocity of licensing.**

26 To the extent that other states which provide for the licensing of general contractors provide  
27 for similar action, the Board in its discretion may grant licenses of the same or equivalent  
28 classification to general contractors licensed by other states, without written examination upon  
29 satisfactory proof furnished to the Board that the qualifications of ~~such~~ applicants are equal to  
30 the qualifications of holders of similar licenses in North Carolina and upon payment of the  
31 required fee.

32 ...."

33  
34 **AUTHORIZE STATE LICENSING BOARD FOR GENERAL CONTRACTORS TO**  
35 **REFER VIOLATIONS FOR CRIMINAL PROSECUTION**

36 **SECTION 3.8.(a)** Article 1 of Chapter 87 of the General Statutes is amended by  
37 adding a new section to read:

38 **"§ 87-13.2. Board may refer violations for criminal prosecution.**

39 (a) Whenever the Board has reasonable grounds to believe that a person or entity has  
40 committed a violation of this Article that is subject to criminal penalty, the Board may refer the  
41 matter to the appropriate law enforcement agency or district attorney for investigation and  
42 possible criminal prosecution.

43 (b) Notwithstanding any confidentiality of investigative records that the Board holds, the  
44 Board may disclose such records to law enforcement agencies or prosecutors to facilitate  
45 investigation or prosecution of violations under this Article.

46 (c) Nothing in this Article shall be construed to limit the Board's ability to assist in  
47 criminal prosecutions, including sharing information or using Board funds as authorized by this  
48 Article to support such prosecutions.

49 (d) Nothing in this Article limits the power of the State to punish any person for any  
50 conduct that constitutes a crime under any other statute."

1           **SECTION 3.8.(b)** The State Licensing Board for General Contractors may adopt  
2 rules to implement the provisions of this section.

3           **SECTION 3.8.(c)** This section is effective October 1, 2025, and applies to violations  
4 committed on or after that date.

5  
6 **PART IV. EXEMPT RESIDENTIAL CHANGEOUTS PERFORMED BY LICENSED**  
7 **CONTRACTORS FROM INSPECTION REQUIREMENT**

8           **SECTION 4.1.(a)** Article 78A of Chapter 58 of the General Statutes is amended by  
9 adding a new section to read:

10 **"§ 58-78A-18. Residential changeout work certification development.**

11           (a) The Office of the State Fire Marshal shall develop a Residential Changeout Work  
12 Certification form for a local government to utilize in its building permit application process for  
13 residential changeout work pursuant to G.S. 160D-1106.1. The Office of the State Fire Marshal  
14 shall publish this form on its website.

15           (b) The Office of the State Fire Marshal shall develop this certification form in  
16 consultation with the North Carolina Building Code Council and the North Carolina Residential  
17 Code Council, as applicable, and shall require the following information, at a minimum:

18               (1) Permit number.

19               (2) Date of inspection.

20               (3) Name, address, telephone number, and license number of the contractor  
21 responsible for the residential changeout work.

22               (4) Street address of the location where the residential changeout work was  
23 performed.

24               (5) A detailed description of the residential changeout work covered by the  
25 certification.

26               (6) A certification that the contractor performed all residential changeout work in  
27 compliance with the North Carolina State Building Code."

28           **SECTION 4.1.(b)** Article 11 of Chapter 160D of the General Statutes is amended  
29 by adding a new section to read:

30 **"§ 160D-1106.1. Residential changeout work inspection exemption.**

31           (a) For the purposes of this section, the phrase "residential changeout work" means work  
32 that requires a building permit for heating and air conditioning appliance replacement in (i) a  
33 dwelling subject to the North Carolina Residential Code or (ii) an individual residential unit of a  
34 multifamily building, including a condominium or apartment, provided the individual appliance  
35 serves only that residential dwelling unit.

36           (b) Notwithstanding G.S. 160D-1104 or any provision of the North Carolina State  
37 Building Code requiring specific inspections, a local government shall accept and approve,  
38 without further responsibility to inspect, residential changeout work if all of the following  
39 conditions are met:

40               (1) The residential changeout work is completed by a contractor, licensed in  
41 accordance with Article 2 of Chapter 87 of the General Statutes, in good  
42 standing.

43               (2) The new appliance and related connections, subject to the residential  
44 changeout, meet all of the following conditions, as applicable:

45                   a. The new appliance requires no alterations to the existing ducting, fuel  
46 type, piping systems, or venting other than minor alterations required  
47 for transitioning to the new appliance.

48                   b. Any new gas appliance shall be of the same category as the appliance  
49 being replaced.

50                   c. The new appliance does not require relocation, excluding minor  
51 adjustments in the same general vicinity.



d. The installation of the new appliance does not require modification to the existing electrical system, or replacement of the appliance's branch circuit overcurrent device, branch circuit, and all related electrical connections are installed by a contractor appropriately licensed under Article 4 of Chapter 87 of the General Statutes.

e. The electrical branch circuit serving the appliance is single phase.

(3) The licensed contractor submits a signed written residential changeout work certification, developed by the Office of the State Fire Marshal pursuant to G.S. 58-78A-18, that certifies the residential changeout work has been completed in compliance with the North Carolina State Building Code to the local government with a permit application.

(c) A local government shall not require information that relates to the residential changeout work other than the information required by its building permit application process and by the certification described in subsection (b) of this section. The certification may be provided by electronic or physical delivery, and its receipt shall be promptly acknowledged by the local government through reciprocal means.

(d) Upon the acceptance of a signed certification by the local government as authorized under this section, the local government, its inspection department, and its inspectors are discharged and released from any liabilities, duties, and responsibilities imposed by this Article with respect to or in common law from any claim arising out of or attributed to the residential changeout work for which the signed certification was submitted."

**SECTION 4.1.(c)** G.S. 160D-402(d) reads as rewritten:

"(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. A local government may charge a fee to cover costs incurred in processing forms related to residential changeout work certifications, submitted pursuant to G.S. 160D-1106.1, not to exceed twenty dollars (\$20.00). 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 4.1.(d)** This section becomes effective January 1, 2026.

**SECTION 4.2.** By October 1, 2025, the Office of the State Fire Marshal shall develop the residential changeout work form as required by G.S. 58-78A-18, as enacted by Section 4.1 of this act, and make it available on the Office's website.

## **PART V. MISCELLANEOUS**

### **MODIFY PUBLIC POOL LAWS TO CLARIFY PRIVATE POOL EXCLUSION AND TO EXEMPT PUBLIC COLD BATHS AND FLOTATION/SENSORY DEPRIVATION SYSTEMS**

**SECTION 5.1.(a)** G.S. 130A-280, as amended by Section 4.51(a) of S.L. 2024-49, reads as rewritten:

**"§ 130A-280. ~~Scope~~ Scope and definitions.**

(a) ~~This Article Part~~ provides for the regulation of public swimming pools in the State as they may affect the public health and safety. ~~As used in this Article, the term "public swimming~~

pool" means any structure, chamber, or tank containing an artificial body of water used by the public for swimming, diving, wading, recreation, or therapy, together with buildings, appurtenances, and equipment used in connection with the body of water, regardless of whether a fee is charged for its use. The term includes municipal, school, hotel, motel, apartment, boarding house, athletic club, or other membership facility pools and spas, spas operating for display at temporary events, and artificial swimming lagoons. As used in this Article, an "artificial swimming lagoon" means any body of water used for recreational purposes with more than 20,000 square feet of surface area, an artificial liner, and a method of disinfectant that results in a disinfectant residual in the swimming zone that is protective of the public health. This Article Part does not apply to any of the following:

- (1) A private pool serving a single family dwelling and used only by the residents of the dwelling and their ~~guests~~guests regardless of whether their guests gain use of the private pool through a sharing economy platform or pay a fee for its use. In all cases in which a fee is exchanged for access to a private pool serving a single-family dwelling that is used only by the residents of the dwelling and their guests, the private pool shall be maintained in good and safe working order.
- (2) ~~A private pool serving a single family dwelling meeting the minimum requirements of this subdivision which is offered to, and used by, individuals on a temporary basis utilizing a sharing economy platform. For the purposes of this subdivision, a sharing economy platform means an online platform used to facilitate peer-to-peer transactions to acquire, provide, or share access to goods and services. For the purposes of this subdivision, a pool must meet all of the following minimum requirements:~~
  - a. ~~Pools must have proper fencing and barriers to prevent unsupervised access, especially by children. The fence should be at least 4 feet high with a self-latching gate.~~
  - b. ~~Pools must have clear and conspicuous signage posted around the pool area specifying pool rules, depth markers, and any potential hazards.~~
  - c. ~~Pools must be equipped with basic lifesaving equipment, including life rings and reaching poles.~~
  - d. ~~Pool decks and surrounding areas must have non-slip surfaces.~~
  - e. ~~Pools must have properly fitted covers for all submerged suction outlets.~~
  - f. ~~Pools must be well-maintained with proper chemical balance and cleanliness to ensure safe and healthy swimming conditions.~~
- (2a) A public cold bath that meets all of the following requirements:
  - a. Is a tub or tank that is used by the general public, one bather at a time, regardless of whether a fee is charged for its use. The tub or tank must be (i) designed exclusively to provide chilled water, (ii) factory-manufactured and certified in conformance with ANSI/UL 1563, and (iii) operated and maintained in accordance with the manufacturer's instructions.
  - b. Contains chilled water that is (i) maintained at a temperature lower than 60 degrees Fahrenheit, (ii) no more than 180 gallons in volume, and (iii) at a depth that allows the bather to maintain the bather's head above the water while in a seated position.
  - c. Continuously filters and sanitizes the chilled water.
- (3) Therapeutic pools used in physical therapy programs operated by medical facilities licensed by the Department or operated by a licensed physical

therapist, nor to therapeutic chambers drained, cleaned, and refilled after each individual use.

(4) Flotation or sensory deprivation systems certified by the National Sanitation Foundation to meet the most current version of Standard 50 of the National Sanitation Foundation/American National Standards Institute.

(b) The following definitions apply in this Part:

(1) Artificial swimming lagoon. – Any body of water used for recreational purposes with more than 20,000 square feet of surface area, an artificial liner, and a method of disinfectant that results in a disinfectant residual in the swimming zone that is protective of the public health.

(2) Public swimming pool. – Any structure, chamber, or tank containing an artificial body of water used by the public for swimming, diving, wading, recreation, or therapy, together with buildings, appurtenances, and equipment used in connection with the body of water, regardless of whether a fee is charged for its use. The term includes municipal, school, hotel, motel, apartment, boarding house, athletic club, or other membership facility pools and spas, spas operating for display at temporary events, and artificial swimming lagoons.

(3) Sharing economy platform. – An online platform used to facilitate peer-to-peer transactions to acquire, provide, or share access to goods and services."

**SECTION 5.1.(b)** This section becomes effective July 1, 2025.

## **INCREASE FORMAL BIDDING THRESHOLD FOR PUBLIC CONTRACTS**

**SECTION 5.2.(a)** G.S. 143-129 reads as rewritten:

**"§ 143-129. Procedure for letting of public contracts.**

(a) Bidding Required. – No construction or repair work requiring the estimated expenditure of public money in an amount equal to or more than one million five hundred thousand dollars (\$500,000)–(\$1,500,000) or purchase of apparatus, supplies, materials, or equipment requiring an estimated expenditure of public money in an amount equal to or more than ninety-one hundred eighty thousand dollars (\$90,000)–(\$180,000) may be performed, nor may any contract be awarded therefor, by any board or governing body of the State, or of any institution of the State government, or of any political subdivision of the State, unless the provisions of this section are complied with; provided that The University of North Carolina and its constituent institutions may award contracts for construction or repair work that requires an estimated expenditure of less than five hundred thousand dollars (\$500,000) without complying with the provisions of this section.

For purchases of apparatus, supplies, materials, or equipment, the governing body of any political subdivision of the State may, subject to any restriction as to dollar amount, or other conditions that the governing body elects to impose, delegate to the manager, school superintendent, chief purchasing official, or other employee the authority to award contracts, reject bids, or readvertise to receive bids on behalf of the unit. Any person to whom authority is delegated under this subsection shall comply with the requirements of this Article that would otherwise apply to the governing body.

...."

**SECTION 5.2.(b)** This section becomes effective July 1, 2026.

## **ABC WAREHOUSE**

**SECTION 5.3.** For project code DPS24-1 the funded agency may enter into a public private partnership to facilitate, through purchase or lease, the construction of the new North Carolina Alcoholic Beverage Control Warehouse facility provided that the public private

partnership will result in expedited completion of the project. In planning and developing the project, the funded agency shall also consider and utilize infrastructure for the facility that automates functions and processes to the greatest extent possible.

## **PART VI. SEVERABILITY CLAUSE AND EFFECTIVE DATE**

### **SEVERABILITY CLAUSE**

**SECTION 6.1.** If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part declared to be unconstitutional or invalid.

### **EFFECTIVE DATE**

**SECTION 6.2.** Except as otherwise provided, this act is effective when it becomes law.