



HOUSE BILL 948: Building Code Regulatory Reform.

2017-2018 General Assembly

Committee:	House Finance	Date:	May 31, 2018
Introduced by:	Reps. Brody, Riddell, Cunningham, Potts	Prepared by:	Billy Godwin and Erika Churchill,
Analysis of:	PCS to Second Edition H948-CSBDf-39		Staff Attorneys

OVERVIEW: *House Bill 948 would make various changes to the building inspection procedure for cities and counties and to the inspector licensing requirements, including:*

- *Clarifying that cities and counties accept authorized inspections by licensed architects or engineers, or persons they supervise, of building components or elements designed by a licensed architect or engineer.*
- *Authorizing the North Carolina Code Officials Qualification Board (Q Board) to establish a marketplace pool of qualified Code-enforcement officials available Statewide for code-enforcement duties.*
- *Requiring the Insurance Commissioner to assign marketplace pool inspectors to conduct building inspections when a local inspection department cannot conduct an inspection within two business days of a permit holder's inspection request and authorizing the Commissioner to fix and collect fees for these inspections.*
- *Authorizing cities and counties to enter into mutual aid contracts specifically for North Carolina State Building Code enforcement and administration.*
- *Requiring that building framing inspection reports finding 20 or more violations be submitted to the Department of Insurance.*
- *Authorizing the Q Board to grant a three year provisional certificate to Code-enforcement officials who are certified and in good standing either in another State or by the International Code Council (ICC).*
- *Defining inspector misconduct to include requiring installation of appliances and equipment in a method or manner not required by the State Building Code and contrary to the manufacturer's instructions.*

This act would become effective October 1, 2018, except as otherwise provided.

The PCS would make clarifying changes to the effective date of certain audit reporting functions and to remove references to fire inspections in the authorization to assign marketplace pool inspectors to conduct building inspections when a local inspection department cannot conduct an inspection within two business days of a permit holder's inspection request.

CURRENT LAW: With the exception of boilers, elevators and State Buildings, the Insurance Commissioner, through the Division of Engineering, has general supervisory authority over the

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administration and enforcement of the Code pertaining to plumbing, electrical systems, general building restrictions and regulations, heating and air conditioning, fire protection, and general building construction. G.S. 143-139. Code enforcement officials are certified under and governed by the Q Board, a 20 member administrative board, established under Article 9C of Chapter 143.

Generally, cities and counties are required to undertake Code-enforcement activities. Code-enforcement is defined as any of the following:

- 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 components thereof.
- The enforcement of fire code regulations. G.S. 143-151.8(a)(3)

BILL ANALYSIS:

Section 1 of the PCS, effective July 1, 2018, modifies the option for an architect or engineer to conduct certain inspections as follows:

- Clarifies that cities and counties must accept authorized inspections by licensed architects or engineers, or persons they supervise, of components or elements designed by a licensed architect or engineer, with no approval authority required or authorized by the city or county.
- Requires that inspection certifications by licensed architects or engineers be delivered electronically or physically, and the receipt of delivery must be promptly acknowledged by the local inspection department.
- Defines the terms component and element as follows:
 - Component. – Any assembly, subassembly, or combination of elements designed to be combined with other components to form part of a building or structure. An example of a component is an excavated footing trench containing no concrete.
 - Element. – A combination of products designed to be combined with other elements to form all or part of a building component.

Sections 2 and 3 of the PCS, effective August 1, 2018, would establish a process by which a permit holder may request the Commissioner of Insurance to conduct an inspection pertaining to plumbing, electrical systems, general building restrictions and regulations, heating and air conditioning, or general building construction when a local inspection department cannot conduct the inspection within two business days of a permit holder's inspection request:

- Authorizes the Q Board to establish a marketplace pool of qualified Code-enforcement officials available Statewide for code-enforcement duties when requested by the Insurance Commissioner or a local inspection department.
- Authorizes the Insurance Commissioner to assign marketplace pool inspectors to conduct certain inspections when a local inspection department cannot conduct the inspection within two business days of a permit holder's inspection request.
- Authorizes the Commissioner to fix and collect fees and travel reimbursement for inspections assigned by the Commissioner. Between the effective date of the bill and permanent rulemaking

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implementing the provisions, the Commissioner is authorized to charge up to \$30 per hour, excluding travel time.

- Places liability for claims of negligent inspection by marketplace pool inspectors assigned by the Insurance Commissioner to the State. Such claims would be settled under the State Tort Claims Act.
- Requires cities and counties to promptly refund a permit holder's inspection fee when the inspection pertaining to plumbing, electrical systems, general building restrictions and regulations, heating and air conditioning, or general building construction is performed by a marketplace pool inspector assigned by the Commissioner.

Section 4 of the PCS requires the Secretary of the Local Government Commission, to consult with the Department of Insurance to revise the reporting requirements for units of local government under G.S. 159-33.1 to include information sufficient to track whether the fees collected by local inspection departments under G.S. 153A-354 and G.S. 160A-414 are used in accordance with those statutes, if the general fund of the local government supplements the inspection department, and if the local inspection department is supplementing the general fund of the local government. Effective when it becomes law.

Section 5 of the PCS authorizes cities and counties to enter into mutual aid contracts specifically for North Carolina State Building Code-enforcement and administration. Effective July 1, 2018.

Section 6 of the PCS requires that copies of building framing inspections finding 20 or more violations be submitted to the Department of Insurance. Effective July 1, 2018.

Section 7 of the PCS authorizes the Q Board to grant, without examination, a provisional 3 year standard certificate to Code-enforcement officials who are certified and in good standing either in another State or by the International Code Council (ICC). The certificates would expire unless the holder completes certain courses related to State Building Code regulations during the 3 year period.

Section 8 of the PCS reduces the number of professional development continuing education hours required to reactivate the certificates of inactive Code-enforcement officials.

Section 9 of the PCS defines inspector misconduct to include requiring installation of appliances and equipment in a method or manner not required by the State Building Code and contrary to the manufacturer's instructions.

EFFECTIVE DATES: Except as noted above, effective October 1, 2018.