



# SENATE BILL 316: Gen. Contractors/Plumbing/Electr. Exempt.

2021-2022 General Assembly

<b>Committee:</b>		<b>Date:</b>	February 1, 2022
<b>Introduced by:</b>		<b>Prepared by:</b>	Howard Marsilio Staff Attorney
<b>Analysis of:</b>	S.L. 2021-122		

**OVERVIEW:** *S.L. 2021-122 expands a general contractor, plumbing and heating contractor, and electrical contractor license requirement exception for public building projects to apply to any building projects.*

*This act became effective August 30, 2021.*

**CURRENT LAW:** Article 1 of Chapter 87 regulates general contractors. Generally, a general contractor is defined to mean any person who undertakes to bid upon or to construct, or who undertakes to superintend or manage, the construction of any building, highway, public utilities, grading or any improvement or structure where the cost of the undertaking is \$30,000 or more, or undertakes to erect a North Carolina labeled manufactured modular building meeting the North Carolina State Building Code.

Within Chapter 87, Article 2 regulates plumbing and heating contractors and Article 4 regulates electrical contractors. Generally, licensure is required as outlined within those laws and regulations.

G.S. 87-1.1 exempts certain trade licensees from general contractor licensure requirements when that licensee is bidding and contracting directly with the owner of a public building project and if:

- A licensed general contractor performs all work that falls within G.S. 87-10(b) and the State Licensing Board of General Contractor's rules.
- The total amount of the general contracting work does not exceed a percentage (currently 25% of the total bid price, *see* 21 NCAC 12A .0210 PUBLIC BUILDING PROJECTS) of the total bid price as prescribed by administrative rule.
- All work that falls within Article 2 or Article 4 of Chapter 87 is performed by a licensee under those Articles.

When a public project meets these conditions: heating and plumbing contractors and electrical contractors are exempt from general contractor licensing requirements; plumbing and heating contractors from electrical contractor licensing requirements; and vice versa.

### BILL ANALYSIS:

**Section 1** expands these exceptions which are currently limited to public building projects to any building projects.

**Section 2** allows rules to be adopted to implement the provisions of the act.

**EFFECTIVE DATE:** This act became effective August 30, 2021.

*Jeremy Ray, Legislative Analysis Division, substantially contributed to this summary.*

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