



# HOUSE BILL 661: Building Industry Efficiency Act of 2025.

2025-2026 General Assembly

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<b>Committee:</b>	House Housing and Development. If favorable, re-refer to Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	April 9, 2025
<b>Introduced by:</b>	Reps. Brody, Bell, Cunningham, Zenger	<b>Prepared by:</b>	Howard Marsilio
<b>Analysis of:</b>	PCS to First Edition H661-CSBG-4		Staff Attorney

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**OVERVIEW:** *The Proposed Committee Substitute (PCS) to House Bill 661 would amend various laws that relate to construction and development, and more specially would:*

- *Prohibit inspection departments from charging fees for certain inspection cancellations.*
- *Limit the imposition of construction standards for certain streets, provide for additional requirements associated with pedestrian facilities, and amend the public street dedication abandonment process.*
- *Direct the responsible Code Councils to make certain amendments to the North Carolina State Building Code and make various technical Code reference corrections.*
- *Amend various laws that relate to: the State Board of Examiners of Plumbing, Heating, and Fire Sprinkler Contractors; the State Board of Examiners of Electrical Contractors; and the State Licensing Board for General Contractors.*
- *Authorize the Code Enforcement Qualification Board to certify residential changeout special inspectors and create an alternate inspection method for the inspection of residential changeouts.*
- *Enact the Right to Repair Construction Defects Act.*
- *Modify public pool laws to clarify certain private pool exemption, exempt public cold baths, and exempt flotation/sensory deprivation systems.*

*The PCS specifically amends Section 3.5 (adds related building permit exemptions), Section 5.1 (adds statute of limitations and tolling provisions), and Section 6.1 (adds exemption for flotation/sensory deprivation systems), and makes various technical corrections.*

## CURRENT LAW/BILL ANALYSIS:

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

**Section 1.1:** This section would prohibit local inspection departments from charging permit holders a fee or failing inspections of a building or structure subject to the North Carolina Residential Code, if the permit holder cancels the inspection with more than one business day's notice.

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

**Section 1.2:** This section would prohibit municipalities from implementing 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.

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

**Section 1.3:** This section would prohibit municipalities from implementing 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. This section would also allow for design methodology and construction standards which do not meet Department standards if sealed by a licensed engineer and certain disclosures are made by the developer. Local governments would be discharged from liabilities for sealed engineered street designs.

## **MUNICIPALITIES REQUIRING DEVELOPERS TO CONSTRUCT CERTAIN PEDESTRIAN FACILITIES AND STREET IMPROVEMENTS TO ACCEPT THOSE IMPROVEMENTS**

**Section 1.4:** This section would require a municipality that requires a developer to construct a pedestrian facility or street improvement within public right of way located outside of a construction project boundary to accept that pedestrian facility and street improvement into its municipal public road system for maintenance and repair upon project completion.

## **COUNTIES REQUIRING DEVELOPERS TO CONSTRUCT CERTAIN PEDESTRIAN AND STREET IMPROVEMENTS MUST SEEK AGREEMENTS TO ACCEPT THOSE IMPROVEMENTS INTO A PUBLIC ROAD SYSTEM**

**Section 1.5:** This section would prohibit a county from requiring a developer to construct a pedestrian facility or public road improvement within public right-of-way located outside of a construction project boundary unless the county obtains an agreement with either the North Carolina Department of Transportation or the municipality, as applicable, that the pedestrian facility or public road improvement will be accepted into a public road system for maintenance and repair.

## **AMEND PUBLIC STREET DEDICATION ABANDONMENT PROCESS**

**Section 1.6:** Current law outlines the process to withdraw a dedication of land for public use as a road or for other purposes. This section would deem land that was dedicated to public use as a street by plat on December 22, 1978, but that has not been maintained as a local public street by a local governmental entity by January 1, 2025, withdrawn for public use and would specify that no person or governmental entity shall have any right or cause of action to enforce any public interest or easement in such land.

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

**Section 2.1:** The North Carolina Building Code and North Carolina Fire Code require approved water supplies for fire protection availability as soon as combustible materials arrive on a job site. This section would authorize a fire code official to reduce fire-flow requirements for an isolated model home at a subdivision project site where full fire flow requirements is impractical or pending. This section would also require the Building Code Council and Residential Code Council to make conforming changes to the Code, as applicable.

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

**Section 2.2:** This section would make various technical corrections to references to the North Carolina State Building Code, or its individual volumes, throughout the General Statutes.

## **INCREASE CERTAIN PLUMBING AND HEATING CONTRACTOR BOARD EXAMINATION AND LICENSE FEES**

**Section 3.1:** Article 2 of Chapter 87 of the General Statutes outlines the authority of the State Board of Examiners of Plumbing, Heating, and Fire Sprinkler Contractors and the various fees associated with licensure and examinations. This section would increase statutorily set fees as follows:

- Increases the annual license fee cap for the limited classification from one hundred fifty dollars (\$150.00) to three hundred dollars (\$300.00).
- Increases the late renewal fee cap from twenty five dollars (\$25.00) to fifty dollars (\$50.00).
- Increases the fee cap for examinations from one hundred fifty dollars (\$150.00) to two hundred dollars (\$200.00).

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

**Section 3.2:** Article 2 of Chapter 87 of the General Statutes outlines the authority of the State Board of Examiners of Plumbing, Heating, and Fire Sprinkler Contractors. This section would specify that certain investigative documents that relate to license applications or disciplinary actions are not public records, unless admitted in evidence in any hearing before the Board.

## **INCREASE CERTAIN ELECTRICAL CONTRACTOR BOARD EXAMINATION AND LICENSE FEES**

**Section 3.3:** Article 4 of Chapter 87 of the General Statutes outlines the authority of the State Board of Examiners of Electrical Contractors and the various fees associated with licensure and examinations. This section would increase statutorily set fees as follows:

- Increases the annual license fee cap for the limited classification from one hundred dollars (\$100.00) to one hundred fifty dollars (\$150.00) for each principal and each branch place of business.

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- Increases the annual license fee cap for the intermediate classification from one hundred fifty dollars (\$150.00) to two hundred dollars (\$200.00) for each principal and each branch place of business.
- Increases the annual license fee cap for the unlimited classification from two hundred dollars (\$200.00) to two hundred fifty dollars (\$250.00) for each principal and each branch place of business.
- Increases the annual license fee cap for the special restricted classifications and for the single-family detached residential dwelling license from one hundred dollars (\$100.00) to one hundred fifty dollars (\$150.00) for each principal and each branch place of business.
- Increases the fee cap for examinations from one hundred twenty-five dollars (\$125.00) to two hundred dollars (\$200.00).

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

**Section 3.4:** Article 4 of Chapter 87 of the General Statutes outlines the authority of the State Board of Examiners of Electrical Contractors. This section would specify that certain investigative documents that relate to license applications or disciplinary actions are not public records, unless admitted in evidence in any hearing before the Board.

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

**Section 3.5:** Article 1 of Chapter 87 of the General Statutes outlines the authority of the State Licensing Board for General Contractors, and sets forth who is subject to regulation as a person engaging in the business of general contracting. This section would exempt any person engaged in the business of providing floor covering services and painting services from general contracting licensure requirements and Board regulation. This section would also exempt floor covering services and painting services for buildings and structures subject to the North Carolina Residential Code from building permit requirements.

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

**Section 3.6:** This section would remove the requirement that any funds remaining in possession of the Board after yearly expenses are paid, are paid over to the North Carolina Engineering Foundation.

## **AMEND NORTH CAROLINA LICENSING BOARD FOR GENERAL CONTRACTORS DISCIPLINARY ACTION AUTHORITY**

**Section 3.7:** Current law authorizes the State Licensing Board for General Contractors to take disciplinary actions against licensed general contractors and requires the Board to maintain certain records. This section would expand the Board's disciplinary authority to include general contractor qualifiers and applicants, in addition to licensees. This section would also amend provisions relating to recordkeeping and license reissuance.

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

**Section 3.8:** Current law requires the court to award up to \$5,000 in attorney fees to the State Licensing Board for General Contractors when the Board prevails in actions to enjoin persons in violation of the laws that related to general contracting. This section would remove this attorney fees cap and specify that applicants for licensure examinations are prohibited from sitting for examinations with unpaid court awards.

## **MODERNIZE GENERAL CONTRACTOR LAWS**

**Section 3.9:** Article 1 of Chapter 87 of the General Statutes outlines the authority of the State Licensing Board for General Contractors. This section would make technical corrections to that Chapter.

## **AUTHORIZE CODE ENFORCEMENT QUALIFICATION BOARD TO CERTIFY RESIDENTIAL CHANGEOUT SPECIAL INSPECTORS AND CREATE A RESIDENTIAL CHANGEOUT ALTERNATE INSPECTION METHOD**

**Section 4.1:** Current law outlines the authority of the North Carolina Code Officials Qualification Board to certify and regulate Code-enforcement officials, which are also commonly known as building inspectors and generally employees or contractors of local government. This section would:

- Authorize the Board to certify residential changeout special inspectors to conduct inspections of residential changeouts (i.e. work requiring a building permit for the purpose of heating and air conditioning appliance and water heater replacement in dwellings subject to the North Carolina Residential Code) and outlines procedures for the acceptance of those inspections by local government.
- Make various conforming changes to the laws that relate to the Board to modernize and partition concepts between Code-enforcement officials and other types of inspectors.

## **ESTABLISH RIGHT TO REPAIR CONSTRUCTION DEFECTS WITHIN DWELLINGS SUBJECT TO THE NORTH CAROLINA RESIDENTIAL CODE**

**Section 5.1:** This section would enact the Right to Repair Construction Defects Act which outlines procedures for owners who assert claims against general contractors for alleged construction defects in the design or construction of improvements to dwellings subject to the North Carolina Residential Code.

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

**Section 6.1:** Part 10 of Chapter 130A outlines the authority of the Department of Health and Human Services in its regulation of public swimming pools. This section would clarify the exemption of single-family dwelling pools on sharing economy platforms, exempt public cold baths, and exempt flotation/sensory deprivation systems from regulation by the Department.

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## **SEVERABILITY CLAUSE AND EFFECTIVE DATE**

**Section 7.1 and Section 7.2** contain severability and effective date provisions.

**EFFECTIVE DATE:** This PCS contains various effective dates specific to individual sections, and except as otherwise provided, this act would become effective when it becomes law.