

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

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HOUSE BILL 850

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

Sponsors: Representative Brody.

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

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

April 26, 2023

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

The General Assembly of North Carolina enacts:

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

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

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

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

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

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

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

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



- (4) Electrical contractor, licensed pursuant to Article 4 of Chapter ~~87; or, 87~~ of the General Statutes.
- (5) Professional engineer, registered pursuant to Chapter ~~89C; 89C~~ of the General Statutes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 **SECTION 7.** G.S. 160D-1110 reads as rewritten:

4 **"§ 160D-1110. Building permits.**

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

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

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

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

(b) A building permit shall be in writing and shall contain a provision that the work done shall comply with the North Carolina State Building Code and all other applicable State and local laws. Nothing in this section requires a local government to review and approve residential building plans submitted to the local government pursuant to the North Carolina Residential Code, provided that the local government may review and approve the residential building plans as it deems necessary. If a local government chooses to review residential building plans for any structures subject to regulation under the North Carolina Residential Code for One- and Two-Family Dwellings, all initial reviews for the building permit must be performed within 15 business days of submission of the plans. A local government shall not require residential building plans for one- and two-family dwellings to be sealed by a licensed engineer or licensed architect unless required by the North Carolina State Building Code. No building permits shall be issued unless the plans and specifications are identified by the name and address of the author thereof, and, if the General Statutes of North Carolina require that plans for certain types of work be prepared only by a licensed architect or licensed engineer, no building permit shall be issued unless the plans and specifications bear the North Carolina seal of a licensed architect or of a licensed engineer. When any provision of the General Statutes of North Carolina or of any ordinance or development or zoning regulation requires that work be done by a licensed specialty contractor of any kind, no building permit for the work shall be issued unless the work is to be performed by such a duly licensed contractor.

(c) No permit issued under Article 9 or 9C of Chapter 143 of the General Statutes is required for any construction, installation, repair, replacement, or alteration performed in accordance with the current edition of the North Carolina State Building Code costing twenty thousand dollars (\$20,000) or less in any single-family residence, farm building, or commercial building unless the work involves any of the following:

- (1) The addition, repair, or replacement of load-bearing structures. However, no permit is required for replacement of windows, doors, exterior siding, or the pickets, railings, stair treads, and decking of porches and exterior decks that otherwise meet the requirements of this subsection.
- (2) The addition or change in the design of plumbing. However, no permit is required for replacements otherwise meeting the requirements of this subsection that do not change size or capacity.
- (3) The addition, replacement, or change in the design of heating, air-conditioning, or electrical wiring, devices, appliances, or equipment, other than like-kind replacement of electrical devices and lighting fixtures.
- (4) The use of materials not permitted by the North Carolina State Building Code.
- (5) The addition (excluding replacement) of roofing.
- (6) Any changes to which the North Carolina Fire Prevention Code applies.

(d) A local government shall not require more than one building permit for the complete installation or replacement of any natural gas, propane gas, or electrical appliance on an existing structure when the installation or replacement is performed by a person licensed under G.S. 87-21 or G.S. 87-43. The cost of the building permit for such work shall not exceed the cost of any one individual trade permit issued by that local government, nor shall the local government increase the costs of any fees to offset the loss of revenue caused by this provision.

(e) No building permit shall be issued pursuant to subsection (a) of this section for any land-disturbing activity, as defined in G.S. 113A-52(6), or for any activity covered by G.S. 113A-57, unless an erosion and sedimentation control plan for the site of the activity or a tract of land including the site of the activity has been approved under the Sedimentation Pollution Control Act.

(f) No building permit shall be issued pursuant to subsection (a) of this section for any land-disturbing activity that is subject to, but does not comply with, the requirements of G.S. 113A-71.

(g) No building permit shall be issued pursuant to subdivision (1) of subsection (a) of this section where the cost of the work is thirty thousand dollars (\$30,000) or more, other than for improvements to an existing single-family residential dwelling unit as defined in G.S. 87-15.5(7) that the owner occupies 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 residential dwelling unit, unless the name, physical and mailing address, telephone number, facsimile number, and electronic mail address of the lien agent designated by the owner pursuant to G.S. 44A-11.1(a) is conspicuously set forth in the permit or in an attachment thereto. The building permit may contain the lien agent's electronic mail address. The lien agent information for each permit issued pursuant to this subsection shall be maintained by the inspection department in the same manner and in the same location in which it maintains its record of building permits issued. Where the improvements to a real property leasehold are limited to the purchase, transportation, and setup of a manufactured home, as defined in G.S. 143-143.9(6), the purchase price of the manufactured home shall be excluded in determining whether the cost of the work is thirty thousand dollars (\$30,000) or more.

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

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

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

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

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

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

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

(a) Whenever it appears to the Board that any person, firm or corporation is violating any of the provisions of this Article or of the 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 violation. 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. The court may award the Board its reasonable costs associated with the investigation and prosecution 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."

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

"(c) 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."

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

"(1) Limited, under which a licensee shall be permitted to engage in a single electrical contracting project of a value, as established by the Board, not in excess of one hundred thousand dollars (\$100,000) and on which the equipment or installation in the contract is rated at not more than 600-1,000 volts. The limited classification and any special restricted classifications shall

require no more than 3,000 hours of experience, of which, no less than 2,000 hours shall consist of primary experience gained by direct installation of electrical wiring and equipment governed by the National Electric Code."

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

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

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

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

"§ 87-44. Fees; license term.

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

(1) The annual license fee for the limited classification shall not exceed one hundred dollars (\$100.00) for each principal and each branch place of business; the business.

(2) The annual license fee for the intermediate classification shall not exceed one hundred fifty dollars (\$150.00) for each principal and each branch place of business; the business.

(3) The annual license fee for the unlimited classification shall not exceed two hundred dollars (\$200.00) for each principal and each branch place of business; and the business.

(4) The annual license fee for the special restricted classifications and for the single-family detached residential dwelling license shall not exceed one hundred dollars (\$100.00) for each principal and each branch place of business.

(5) For each principal and each branch place of business, a fee of twenty-five dollars (\$25.00) per qualified individual employed.

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

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

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

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

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

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

(1) Conduct the fee negotiations for all design contracts and supervise the letting of all construction and design contracts.

(2) Develop procedures governing the responsibilities of the Commission to perform the duties of the Department of Administration and the Director or Office of State Construction under G.S. 133-1.1(d) and G.S. 143-341(3).

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

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

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

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

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

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

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

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

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

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

law.