

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1999**

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SENATE BILL 1316\*  
Judiciary II Committee Substitute Adopted 5/30/00  
Third Edition Engrossed 5/31/00  
House Committee Substitute Favorable 6/21/00

Short Title: Professional Engineers/Land Surveyors Licensure. (Public)

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Sponsors:

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Referred to:

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May 18, 2000

1 A BILL TO BE ENTITLED  
2 AN ACT TO REQUIRE ADDITIONAL INFORMATION PRIOR TO THE  
3 REEXAMINATION OF CANDIDATES FOR ENGINEERING AND SURVEYING  
4 LICENSURE; TO CHANGE THE ANNUAL ENGINEERING AND SURVEYING  
5 LICENSE EXPIRATION DATE FOR BUSINESSES; TO AUTHORIZE THE  
6 BOARD OF EXAMINERS FOR ENGINEERS AND SURVEYORS TO ADOPT  
7 RULES REGULATING THE OPERATION OF ENGINEERING AND LAND  
8 SURVEYING OFFICES; AND TO AUTHORIZE SOIL SCIENTISTS LICENSED  
9 UNDER CHAPTER 89F OF THE GENERAL STATUTES TO FORM  
10 PROFESSIONAL CORPORATIONS UNDER CHAPTER 55B OF THE GENERAL  
11 STATUTES AND LIMITED LIABILITY COMPANIES UNDER CHAPTER 57C  
12 OF THE GENERAL STATUTES.

13 The General Assembly of North Carolina enacts:

14 Section 1. G.S. 89C-14(e) reads as rewritten:

15 "(e) A candidate failing an examination may apply, and be considered by the  
16 Board, for reexamination at the end of six months. The Board shall make such  
17 reexamination charge as is necessary to defray the cost of the examination.

1 A candidate with a combination of three failures or unexcused absences on an  
2 examination shall only be eligible after submitting a new application with appropriate  
3 application ~~fee, fee and documented evidence of actions taken by the candidate to~~  
4 enhance the candidate's prospects for passing the exam. A candidate with a combination  
5 of three failures or unexcused absences may only be considered by the Board for  
6 reexamination at the end of 12 months.~~months following the third failure or unexcused~~  
7 absence. After the end of the 12-month period, the applicant may take the examination  
8 no more than once every calendar year."

9 Section 2. G.S. 89C-17 reads as rewritten:

10 **"§ 89C-17. Expirations and renewals of certificates.**

11 Certificates for licensure of corporations and business firms that engage in the  
12 practice of engineering or land surveying shall expire on the last day of the month of June  
13 following their issuance or renewal and shall become invalid on that date unless renewed.  
14 All other certificates ~~Certificates~~ for licensure shall expire on the last day of the month of  
15 December next following their issuance or renewal, and shall become invalid on that date  
16 unless renewed. When necessary to protect the public health, safety, or welfare, the  
17 Board shall require any evidence necessary to establish the continuing competency of  
18 engineers and land surveyors as a condition of renewal of licenses. When the Board is  
19 satisfied as to the continuing competency of an applicant, it shall issue a renewal of the  
20 certificate upon payment by the applicant of a fee fixed by the Board but not to exceed  
21 seventy-five dollars (\$75.00). The secretary of the Board shall notify by mail every  
22 person licensed under this Chapter of the date of expiration of the certificate, the amount  
23 of the fee required for its renewal for one year, and any requirement as to evidence of  
24 continued competency. The notice shall be mailed at least one month in advance of the  
25 expiration date of the certificate. Renewal shall be effected at any time during the month  
26 of January ~~immediately following,~~ immediately following the month of expiration, by  
27 payment to the secretary of the Board of a renewal fee, as determined by the Board,  
28 which shall not exceed seventy-five dollars (\$75.00). Failure on the part of any registrant  
29 to renew the certificate annually in the month ~~of January,~~ immediately following the  
30 month of expiration, as required above, shall deprive the registrant of the right to practice  
31 until renewal has been effected. Renewal may be effected at any time during the first 12  
32 months immediately following its invalidation by payment of the established renewal fee  
33 and a late penalty of one hundred dollars (\$100.00). Failure of a licensee to renew the  
34 license for a period of 12 months shall require the individual, prior to resuming practice  
35 in North Carolina, to submit an application on the prescribed form, and to meet all other  
36 requirements for licensure as set forth in Chapter 89C. The secretary of the Board is  
37 instructed to remove from the official roster of engineers and land surveyors the names of  
38 all licensees who have not effected their renewal by the first day of ~~February~~ the month  
39 immediately following the ~~date of their expiration.~~ renewal period. The Board may adopt  
40 rules to provide for renewals in distress or hardship cases due to military service,  
41 prolonged illness, or prolonged absence from the State, where the applicant for renewal  
42 demonstrates to the Board that the applicant has maintained active knowledge and  
43 professional status as an engineer or land surveyor, as the case may be. It shall be the

1 responsibility of each licensee to inform the Board promptly concerning change in  
2 address. A licensee may request and be granted inactive status. No inactive licensee may  
3 practice in this State unless otherwise exempted in this Chapter. A licensee granted  
4 inactive status shall pay annual renewal fees but shall not be subject to annual continuing  
5 professional competency requirements. A licensee granted inactive status may return to  
6 active status by meeting all requirements of the Board, including demonstration of  
7 continuing professional competency as a condition of reinstatement."

8 Section 3. G.S. 89C-24 reads as rewritten:

9 **"§ 89C-24. Licensure of corporations and business firms that engage in the practice**  
10 **of engineering or land surveying.**

11 A corporation or business firm may not engage in the practice of engineering or land  
12 surveying in this State unless it is licensed by the Board and has paid an application fee  
13 established by the Board in an amount not to exceed one hundred dollars (\$100.00). A  
14 corporation or business firm is subject to the same duties and responsibilities as an  
15 individual licensee. Licensure of a corporation or business firm does not affect the  
16 requirement that all engineering or land surveying work done by the corporation or  
17 business firm be performed by or under the responsible charge of individual registrants,  
18 nor does it relieve the individual registrants within a corporation or business firm of their  
19 design and supervision responsibilities. The Board may adopt rules regulating the  
20 operation of offices and places of business of corporations and business firms licensed  
21 under this section to ensure that professional engineering and land surveying services are  
22 performed under the supervision of licensed professional engineers and land surveyors.

23 This section applies to every corporation that is engaged in the practice of engineering  
24 or land surveying, regardless of when it was incorporated. A corporation that is not  
25 exempt from Chapter 55B of the General Statutes by application of G.S. 55B-15 must be  
26 incorporated under that Chapter."

27 Section 4. G.S. 55B-2(6) reads as rewritten:

28 "(6) The term 'professional service' means any type of personal or  
29 professional service of the public which requires as a condition  
30 precedent to the rendering of such service the obtaining of a license  
31 from a licensing board as herein defined, and pursuant to the following  
32 provisions of the General Statutes: Chapter 83A, 'Architects'; Chapter  
33 84, 'Attorneys-at-Law'; Chapter 93, 'Public Accountants'; and Article 1,  
34 'Practice of Medicine,' Article 2, 'Dentistry,' Article 6, 'Optometry,'  
35 Article 7, 'Osteopathy,' Article 8, 'Chiropractic,' Article 9A, 'Nursing  
36 Practice Act,' with regard to registered nurses, Article 11,  
37 'Veterinarians,' Article 12A, 'Podiatrists,' Article 18A, 'Practicing  
38 Psychologists,' Article 18D, 'Occupational Therapy,' and Article 24,  
39 'Licensed Professional Counselors,' of Chapter 90; Chapter 89C,  
40 'Engineering and Land Surveying'; Chapter 89A, 'Landscape Architects';  
41 Chapter 90B, 'Social Worker Certification Act' with regard to Certified  
42 Clinical Social Workers as defined by G.S. 90B-3; Chapter 89E,

1                   ~~'Geologists'; and Chapter 89B, 'Foresters.'~~ Chapter 89B, 'Foresters'; and  
2                   ~~Chapter 89F, 'North Carolina Soil Scientist Licensing Act'.~~"

3                   Section 5. G.S. 55B-6(a) reads as rewritten:

4                   "(a) Except as provided in subsection (b), a professional corporation may issue  
5 shares of its capital stock only to a licensee as defined in G.S. 55B-2, and a shareholder  
6 may voluntarily transfer such shares of stock issued to him only to another such licensee.  
7 No share or shares of any stock of such corporation shall be transferred upon the books of  
8 the corporation unless the corporation has received a certification of the appropriate  
9 licensing board that the transferee of such shares is a licensee. Provided, it shall be lawful  
10 in the case of professional corporations rendering services as defined in Chapters 83A,  
11 89A, 89C, ~~and 89E,~~ 89E, and 89F, for non-licensed employees of such corporation to own  
12 not more than one-third of the total issued and outstanding shares of such corporation.  
13 Provided further, subject to any additional conditions that the appropriate licensing board  
14 may by rule or order impose in the public interest, it shall be lawful for individuals who  
15 are not licensees but who perform professional services on behalf of a professional  
16 corporation in another jurisdiction in which the corporation maintains an office, and who  
17 are duly licensed to perform professional services under the laws of the other jurisdiction,  
18 to be shareholders of the corporation so long as there is at least one shareholder who is a  
19 licensee as defined in G.S. 55B-2, and the corporation renders its professional services in  
20 the State only through those shareholders that are licensed in North Carolina. Upon the  
21 transfer of any shares of such corporation to a non-licensed employee of such  
22 corporation, the corporation shall inform the appropriate licensing board of the name and  
23 address of the transferee and the number of shares issued to such nonprofessional  
24 transferee. Any share of stock of such corporation issued or transferred in violation of  
25 this section shall be null and void. No shareholder of a professional corporation shall  
26 enter into a voting trust agreement or any other type of agreement vesting in another  
27 person the authority to exercise the voting power of any or all of his stock."

28                   Section 6. G.S. 55B-14(b) reads as rewritten:

29                   "(b) Notwithstanding subsection (a) of this section, in the case of architectural,  
30 landscape architectural, engineering or land ~~surveying and geological services,~~ surveying,  
31 geological, and soil science services, as defined in Chapters 83A, 89A, 89C, ~~and 89E~~ 89E,  
32 and 89F respectively, one corporation may be authorized to provide such of these  
33 services where such corporation, and at least one corporate officer who is a stockholder  
34 thereof, is duly licensed by the licensing board of each such profession."

35                   Section 7. G.S. 89F-6 reads as rewritten:

36                   "**§ 89F-6. Corporate, limited liability company, partnership, or sole proprietorship**  
37                   **practice of soil science.**

38                   A corporation organized under Chapter 55B of the General Statutes, a limited liability  
39 company organized under Chapter 57C of the General Statutes, a partnership, or a sole  
40 proprietorship may engage in the practice of soil science in this State. A licensed soil  
41 scientist shall be in responsible charge of all practice of soil science by the corporation,  
42 limited liability company, partnership, or sole proprietorship."

43                   Section 8. This act is effective when it becomes law.