

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 648
Committee Substitute Favorable 4/20/11

Short Title: Improve Enforcement/General Contractor Laws. (Public)

Sponsors:

Referred to:

April 6, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY AND AMEND THE LAWS PERTAINING TO EXCEPTIONS AND
3 BUILDING PERMITS AS RELATED TO GENERAL CONTRACTORS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 87-1 reads as rewritten:

6 "**§ 87-1. "General contractor" defined; exceptions.**

7 (a) For the purpose of this Article any person or firm or corporation who for a fixed
8 price, commission, fee, or wage, undertakes to bid upon or to construct or who undertakes to
9 superintend or manage, on his own behalf or for any person, firm, or corporation that is not
10 licensed as a general contractor pursuant to this Article, the construction of any building,
11 highway, public utilities, grading or any improvement or structure where the cost of the
12 undertaking is thirty thousand dollars (\$30,000) or more, or undertakes to erect a North
13 Carolina labeled manufactured modular building meeting the North Carolina State Building
14 Code, shall be deemed to be a "general contractor" engaged in the business of general
15 contracting in the State of North Carolina.

16 (b) This section shall not apply to the following:

17 (1) ~~persons or firms~~ Persons, firms, or corporations furnishing or erecting
18 industrial equipment, power plan equipment, radial brick chimneys, and
19 monuments.

20 (2) ~~This section shall not apply to any person or firm~~ Any person, firm, or
21 corporation who constructs or alters a building on land owned by that
22 person, ~~firm~~ firm, or corporation provided ~~such~~ (i) the building is intended
23 solely for occupancy by that person and his family, firm, or corporation after
24 completion; and ~~provided further that, if such~~ (ii) the person, firm, or
25 corporation complies with G.S. 87-14. If the building is not occupied solely
26 by such ~~the~~ person and his family, firm, or corporation for at least 12 months
27 following completion, it shall be presumed that the person, firm, or
28 corporation did not intend ~~such~~ the building solely for occupancy by that
29 person and his family, firm, or corporation.

30 (3) ~~This section shall not apply to any~~ Any person engaged in the business of
31 farming who constructs or alters a building on land owned by that person
32 and used in the business of farming, when ~~such~~ the building is intended for
33 use by that person after completion."

34 **SECTION 2.** G.S. 87-14 reads as rewritten:

35 "**§ 87-14. Regulations as to issue of building permits.**

36 (a) Any person, ~~firm~~ firm, or corporation, upon making application to the building
37 inspector or such other authority of any incorporated city, ~~town~~ town, or county in North



1 Carolina charged with the duty of issuing building or other permits for the construction of any
 2 building, highway, sewer, ~~grading-grading~~, or any improvement or structure where the cost
 3 thereof is to be thirty thousand dollars (\$30,000) or more, shall, before ~~he~~ being entitled to
 4 the issuance of ~~such permit~~, a permit, satisfy the following:

5 (1) ~~furnish~~ Furnish satisfactory proof to ~~such the~~ inspector or authority that ~~he~~
 6 the person seeking the permit or another person contracting to superintend or
 7 manage the construction is duly licensed under the terms of this Article to
 8 carry out or superintend the ~~same~~, construction or is exempt from licensure
 9 under G.S. 87-1(b). If an applicant claims an exemption from licensure
 10 pursuant to G.S. 87-1(b)(2), the applicant for the building permit shall
 11 execute a verified affidavit attesting to the following:

12 a. That the person is the owner of the property on which the building is
 13 being constructed or, in the case of a firm or corporation, is legally
 14 authorized to act on behalf of the firm or corporation.

15 b. That the person will personally superintend and manage all aspects of
 16 the construction of the building and that the duty will not be
 17 delegated to any other person not duly licensed under the terms of
 18 this Article.

19 c. That the person will be personally present for all inspections required
 20 by the North Carolina State Building Code.

21 The building inspector or other authority shall transmit a copy of the
 22 affidavit to the Board, who shall verify that the applicant was validly entitled
 23 to claim the exemption under G.S. 87-1(b)(2). If the Board determines that
 24 the applicant was not entitled to claim the exemption under G.S. 87-1(b)(2),
 25 the building permit shall be revoked pursuant to G.S. 153A-362 or
 26 G.S. 160A-422.

27 (2) ~~and that he~~ Furnish proof that the person has paid the license tax required by
 28 the Revenue Act of the State of North Carolina then in force so as to be
 29 qualified to bid upon or contract for the work for which the permit has been
 30 ~~applied, and that he~~ applied.

31 (3) Furnish proof that the person has in effect Workers' Compensation insurance
 32 as required by Chapter 97 of the General ~~Statutes~~; Statutes.

33 (b) ~~and it~~ It shall be unlawful for ~~such the~~ building inspector or other authority to issue
 34 or allow the issuance of ~~such a~~ building permit pursuant to this section unless and until the
 35 applicant has furnished evidence that ~~he the~~ applicant is either exempt from the provisions of
 36 ~~this Article~~ Article and, if applicable, fully complied with the provisions of subdivision (a)(1)
 37 of this section, or is duly licensed under this Article to carry out or superintend the work for
 38 which permit has been applied; and further, that the applicant has paid the license tax required
 39 by the State Revenue Act then in force so as to be qualified to bid upon or contract for the work
 40 covered by the permit; and further, that the applicant has in effect Workers' Compensation
 41 insurance as required by Chapter 97 of the General Statutes. Any building inspector or other
 42 ~~such~~ authority who is subject to and violates the terms of this section shall be guilty of a Class
 43 3 misdemeanor and subject only to a fine of not more than fifty dollars (\$50.00)."

44 **SECTION 3.** G.S. 153A-360 reads as rewritten:

45 "**§ 153A-360. Inspections of work in progress.**

46 As the work pursuant to a permit progresses, local inspectors shall make as many
 47 inspections of the work as may be necessary to satisfy them that it is being done according to
 48 the provisions of the applicable State and local laws and local ordinances and regulations and
 49 of the terms of the permit. In exercising this power, each member of the inspection department
 50 has a right, upon presentation of proper credentials, to enter on any premises within the
 51 territorial jurisdiction of the department at any reasonable hour for the purposes of inspection or

1 other enforcement action. If a permit has been obtained by an owner exempt from licensure
2 under G.S. 87-1(b)(2), no inspection shall be conducted without the owner being personally
3 present."

4 **SECTION 4.** G.S. 160A-420 reads as rewritten:

5 "**§ 160A-420. Inspections of work in progress.**

6 As the work pursuant to a permit progresses, local inspectors shall make as many
7 inspections thereof as may be necessary to satisfy them that the work is being done according
8 to the provisions of any applicable State and local laws and of the terms of the permit. In
9 exercising this power, members of the inspection department shall have a right to enter on any
10 premises within the jurisdiction of the department at all reasonable hours for the purposes of
11 inspection or other enforcement action, upon presentation of proper credentials. If a permit has
12 been obtained by an owner exempt from licensure under G.S. 87-1(b)(2), no inspection shall be
13 conducted without the owner being personally present."

14 **SECTION 5.** This act is effective when it becomes law.