

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

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HOUSE BILL 110

Short Title: Public Contracts/Project Labor. (Public)

Sponsors: Representatives Goodman, J. Bell, Moffitt, and Murry (Primary Sponsors).  
*For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*

Referred to: Government, if favorable, Finance.

February 18, 2013

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE FOR FAIR AND OPEN COMPETITION IN GOVERNMENTAL  
3 CONSTRUCTION CONTRACTS AND TO PROHIBIT REQUIREMENTS FOR  
4 CERTAIN TERMS IN GOVERNMENT CONTRACTS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** Article 8 of Chapter 143 of the General Statutes is amended by  
7 adding a new section to read as follows:

8 "**§ 143-133.1. Public contracts; labor organizations.**

9 (a) It is the intent of the General Assembly that the provisions of this section will  
10 provide for more economical, nondiscriminatory, neutral, and efficient procurement of  
11 construction-related services by the State and political subdivisions of the State as market  
12 participants. The General Assembly finds that providing for fair and open competition best  
13 effectuates this intent.

14 (b) Any agent or employee of the State, any board or governing body of the State or of  
15 any institution of the State government, or any agent, employee, or board or governing body of  
16 any political subdivision of the State awarding a contract for the construction, repair,  
17 remodeling, or demolition of a public building shall not in any bid specifications, project  
18 agreements, or other controlling documents:

19 (1) Require or prohibit a bidder, offeror, contractor, or subcontractor from  
20 entering into or adhering to an agreement with one or more labor  
21 organizations in regard to that project or a related construction project.

22 (2) Otherwise discriminate against a bidder, offeror, contractor, or subcontractor  
23 for becoming, remaining, refusing to become or remain a signatory to, or for  
24 adhering or refusing to adhere to an agreement with one or more labor  
25 organizations in regard to that project or a related construction project.

26 (c) An agent or employee of the State, any board or governing body of the State or of  
27 any institution of the State government, or an agent, employee, or board or governing body of  
28 any political subdivision of the State shall not award a grant, tax abatement, or tax credit that is  
29 conditioned upon a requirement that the awardee include a term described in subsection (b) of  
30 this section in a contract document for any construction, improvement, maintenance, or  
31 renovation to real property or fixtures that are the subject of the grant, tax abatement, or tax  
32 credit.

33 (d) This section does not prohibit an agent or employee of the State, any board or  
34 governing body of the State or of any institution of the State government, or an agent,  
35 employee, or board or governing body of any political subdivision of the State from awarding a



1 contract, grant, tax abatement, or tax credit to a private owner, bidder, contractor, or  
2 subcontractor who enters into or who is party to an agreement with a labor organization if being  
3 or becoming a party or adhering to an agreement with a labor organization is not a condition for  
4 award of the contract, grant, tax abatement, or tax credit, and if the State agent, employee, or  
5 board or the political subdivision does not discriminate against a private owner, bidder,  
6 contractor, or subcontractor in the awarding of that contract, grant, tax abatement, or tax credit  
7 based upon the person's status as being or becoming, or the willingness or refusal to become, a  
8 party to an agreement with a labor organization.

9 (e) This section does not prohibit a contractor or subcontractor from voluntarily  
10 entering into or complying with an agreement entered into with one or more labor organizations  
11 in regard to a contract with the State or a political subdivision of the State or funded in whole  
12 or in part from a grant, tax abatement, or tax credit from the State or political subdivision.

13 (f) The State or the governing body of a political subdivision may exempt a particular  
14 project, contract, subcontract, grant, tax abatement, or tax credit from the requirements of any  
15 or all of the provisions of subsection (b) or (c) of this section if the State or governing body of  
16 the political subdivision finds, after public notice and a hearing, that special circumstances  
17 require an exemption to avert an imminent threat to public health or safety. A finding of special  
18 circumstances under this section shall not be based on the possibility or presence of a labor  
19 dispute concerning the use of contractors or subcontractors who are nonsignatories to, or  
20 otherwise do not adhere to, agreements with one or more labor organizations, or concerning  
21 employees on the project who are not members of or affiliated with a labor organization.

22 (g) This section does not do either of the following:

23 (1) Prohibit employers or other parties from entering into agreements or  
24 engaging in any other activity protected by the National Labor Relations  
25 Act, 29 U.S.C. § 151 to 169.

26 (2) Interfere with labor relations of parties that are left unregulated under the  
27 National Labor Relations Act, 29 U.S.C. § 151 to 169."

28 **SECTION 2.** This act is effective when it becomes law and applies to all contracts  
29 awarded on or after that date.