

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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HOUSE BILL 552

Short Title: General Contractor Licensing Amendments. (Public)

Sponsors: Representative Brody.

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

Referred to: Commerce and Job Development, if favorable, Regulatory Reform

April 5, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO UPDATE THE LAWS PERTAINING TO LICENSING OF GENERAL
3 CONTRACTORS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 87-10 reads as rewritten:

6 "**§ 87-10. Application for license; examination; certificate; renewal.**

7 (a) Anyone seeking to be licensed as a general contractor in this State shall ~~file~~ submit
8 an application for an examination on a form provided by the Board, at least 30 days before any
9 regular or special meeting of the Board. ~~application.~~ Before being entitled to an examination, an
10 applicant shall:

11 (1) Be at least 18 years of age.

12 (2) Possess good moral character as determined by the Board.

13 (3) Provide evidence of financial responsibility as determined by the Board.

14 (4) Submit the appropriate application fee.

15 (a1) The Board ~~may~~ shall require ~~the~~ an applicant to pay the Board or a provider
16 contracted by the Board an examination fee not to exceed one hundred dollars ~~(\$100.00)~~ and
17 pay to (\$100.00). In addition, the Board shall require an applicant to pay the Board a ~~license~~ fee
18 not to exceed one hundred twenty-five dollars (\$125.00) if the application is for an unlimited
19 license, one hundred dollars (\$100.00) if the application is for an intermediate license, or
20 seventy-five dollars (\$75.00) if the application is for a limited license. The fees accompanying
21 any application or examination shall be nonrefundable. The holder of an unlimited license shall
22 be entitled to act as general contractor without restriction as to value of any single project; the
23 holder of an intermediate license shall be entitled to act as general contractor for any single
24 project with a value of up to one million dollars ~~(\$1,000,000);~~ (\$1,000,000), excluding the cost
25 of land and any ancillary costs to improve the land; and the holder of a limited license shall be
26 entitled to act as general contractor for any single project with a value of up to five hundred
27 thousand dollars ~~(\$500,000); and the~~ (\$500,000), excluding the cost of land and any ancillary
28 costs to improve the land. The license certificate shall be classified in accordance with this
29 section. ~~Before being entitled to an examination an applicant must show to the satisfaction of~~
30 ~~the Board from the application and proofs furnished that the applicant is possessed of a good~~
31 ~~eharacter and is otherwise qualified as to competency, ability, integrity, and financial~~
32 ~~responsibility, and that the applicant has not committed or done any act, which, if committed or~~
33 ~~done by any licensed contractor would be grounds under the provisions hereinafter set forth for~~
34 ~~the suspension or revocation of contractor's license, or that the applicant has not committed or~~
35 ~~done any act involving dishonesty, fraud, or deceit, or that the applicant has never been refused~~



1 a license as a general contractor nor had such license revoked, either in this State or in another
2 state, for reasons that should preclude the granting of the license applied for, and that the
3 applicant has never been convicted of a felony involving moral turpitude, relating to building or
4 contracting, or involving embezzlement or misappropriation of funds or property entrusted to
5 the applicant: Provided, no applicant shall be refused the right to an examination, except in
6 accordance with the provisions of Chapter 150B of the General Statutes.

7 (b) ~~The Board shall conduct an examination, either oral or written, of all applicants for~~
8 ~~license to ascertain, for the classification of license for which the applicant has applied: An~~
9 applicant shall identify an individual who has successfully passed an examination approved by
10 the Board who, for purposes of this section, shall be known as the "qualifier" or the "qualifying
11 party" of the applicant. If the qualifier or the qualifying party seeks to take an examination, the
12 examination shall establish (i) the ability of the applicant to make a practical application of the
13 applicant's knowledge of the profession of contracting; (ii) the qualifications of the applicant in
14 reading plans and specifications, knowledge of relevant matters contained in the North Carolina
15 State Building Code, knowledge of estimating costs, construction, ethics, and other similar
16 matters pertaining to the contracting business; (iii) the knowledge of the applicant as to the
17 responsibilities of a contractor to the public and of the requirements of the laws of the State of
18 North Carolina relating to contractors, construction, and liens; and (iv) the applicant's
19 knowledge of requirements of the Sedimentation Pollution Control Act of 1973, Article 4 of
20 Chapter 113A of the General Statutes, and the rules adopted pursuant to that Article. ~~If the~~
21 ~~results of the examination of the applicant shall be satisfactory to the Board, then the qualifier~~
22 or qualifying party passes the examination, upon review of the application and all relevant
23 information, the Board shall issue to the applicant a certificate to a license to the applicant to
24 engage as a-in general contractor-contracting in the State of North Carolina, as provided in said
25 certificate, which may be limited into five classifications as follows:

- 26 (1) Building contractor, which shall include private, public, commercial,
27 industrial and residential buildings of all types.
- 28 (1a) Residential contractor, which shall include any general contractor
29 constructing only residences which are required to conform to the residential
30 building code adopted by the Building Code Council pursuant to
31 G.S. 143-138.
- 32 (2) Highway contractor.
- 33 (3) Public utilities contractors, which shall include those whose operations are
34 the performance of construction work on the following subclassifications of
35 facilities:
- 36 a. Water and sewer mains, water service lines, and house and building
37 sewer lines as defined in the North Carolina State Building Code, and
38 water storage tanks, lift stations, pumping stations, and
39 appurtenances to water storage tanks, lift stations, and pumping
40 stations.
- 41 b. Water and wastewater treatment facilities and appurtenances thereto.
- 42 c. Electrical power transmission facilities, and primary and secondary
43 distribution facilities ahead of the point of delivery of electric service
44 to the customer.
- 45 d. Public communication distribution facilities.
- 46 e. Natural gas and other petroleum products distribution facilities;
47 provided the General Contractors Licensing Board may issue license
48 to a public utilities contractor limited to any of the above
49 subclassifications for which the general contractor qualifies.
- 50 (4) Specialty contractor, which shall include those whose operations as such are
51 the performance of construction work requiring special skill and involving

1 the use of specialized building trades or crafts, but which shall not include
2 any operations now or hereafter under the jurisdiction, for the issuance of
3 license, by any board or commission pursuant to the laws of the State of
4 North Carolina.

5 (b1) Public utilities contractors constructing house and building sewer lines as provided
6 in sub-subdivision a. of subdivision (3) of subsection (b) of this section shall, at the junction of
7 the public sewer line and the house or building sewer line, install as an extension of the public
8 sewer line a cleanout at or near the property line that terminates at or above the finished grade.
9 Public utilities contractors constructing water service lines as provided in sub-subdivision a. of
10 subdivision (3) of subsection (b) of this section shall terminate the water service lines at a
11 valve, box, or meter at which the facilities from the building may be connected. Public utilities
12 contractors constructing fire service mains for connection to fire sprinkler systems shall
13 terminate those lines at a flange, cap, plug, or valve inside the building one foot above the
14 finished floor. All fire service mains shall comply with the NFPA standards for fire service
15 mains as incorporated into and made applicable by Volume V of the North Carolina Building
16 Code.

17 (c) If an applicant is an individual, examination may be taken by his personal
18 appearance for examination, or by the appearance for examination of one or more of his
19 responsible managing ~~employees, and if employees.~~ If an applicant is a copartnership or
20 copartnership, a corporation, or any other combination or organization, by the examination of
21 the examination may be taken by one or more of the responsible managing officers or members
22 of the personnel of the applicant, and if the person so examined applicant.

23 (c1) If the qualifier or qualifying party shall cease to be connected with the applicant,
24 licensee, then in such event the license shall remain in full force and effect for a period of 90
25 days thereafter, and then be canceled, but the applicant days. After 90 days, the license shall be
26 invalidated, however the licensee shall then be entitled to a reexamination, all return to active
27 status pursuant to the all relevant statutes and rules to be promulgated by the Board. Provided,
28 that the holder of such license Board. However, during the 90-day period described in this
29 subsection, the licensee shall not bid on or undertake any additional contracts from the time
30 such examined employee shall cease qualifier or qualifying party ceased to be connected with
31 the applicant licensee until said applicant's the license is reinstated as provided in this Article.

32 (d) ~~Anyone failing to pass this examination may be reexamined at any regular meeting~~
33 ~~of the Board upon payment of an examination fee. Anyone requesting to take the~~
34 ~~examination~~ The Board may require a new application if a qualifier or qualifying party requests
35 to take an examination a third or subsequent time shall submit a new application with the
36 appropriate examination and license fees.time.

37 (e) ~~A certificate of license shall expire on the thirty-first first day of December January~~
38 ~~following its issuance or renewal and shall become invalid 60 days from that date unless~~
39 ~~renewed, subject to the approval of the Board. Renewals may be effected any time during the~~
40 ~~month of January without reexamination, by the payment of a fee to the secretary of the Board.~~
41 ~~The fee shall~~ Renewal applications shall be submitted with a fee not to exceed one hundred
42 twenty-five dollars (\$125.00) for an unlimited license, one hundred dollars (\$100.00) for an
43 intermediate license, and seventy-five dollars (\$75.00) for a limited license. No later than
44 November 30 of each year, the Board shall mail written notice of the amount of the renewal
45 fees for the upcoming year to the last address of record for each general contractor licensed
46 pursuant to this Article. Renewal applications shall be accompanied by evidence of continued
47 financial responsibility satisfactory to the Board. Renewal applications received by the Board
48 on or after the first day of January shall be accompanied by a late payment of ten dollars
49 (\$10.00) for each month or part after January.partial month thereafter.

50 (f) ~~After a lapse of four years no renewal shall be effected and the applicant license has~~
51 ~~been inactive for four years, a licensee shall not be permitted to renew the license, and the~~

1 license shall be deemed archived. If a licensee wishes to be relicensed subsequent to the
2 archival of the license, the licensee shall fulfill all requirements of a new applicant as set forth
3 in this section. Archived licensed numbers shall not be renewed."

4 **SECTION 2.** This act becomes effective October 1, 2017, and applies to
5 applications for licensure submitted on or after that date.