

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

3

HOUSE BILL 598
Committee Substitute Favorable 3/27/01
Third Edition Engrossed 4/4/01

Short Title: Building Inspections Contracted.

(Public)

Sponsors:

Referred to:

March 14, 2001

A BILL TO BE ENTITLED

1
2 AN ACT TO REPEAL THE REQUIREMENT THAT COUNTIES AND
3 MUNICIPALITIES MAY ONLY ENTER INTO CONTRACTS WITH
4 PRIVATELY EMPLOYED INDIVIDUALS OR THEIR EMPLOYERS FOR
5 BUILDING INSPECTION SERVICES FOR SPECIFICALLY DESIGNATED
6 PROJECTS.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** G.S. 153A-353 reads as rewritten:

9 "**§ 153A-353. Joint inspection department; other arrangements.**

10 A county may enter into and carry out contracts with one or more other counties or
11 cities under which the parties agree to create and support a joint inspection department
12 for enforcing those State and local laws and local ordinances and regulations specified
13 in the agreement. The governing bodies of the contracting units may make any
14 necessary appropriations for this purpose.

15 In lieu of a joint inspection department, a county may designate an inspector from
16 another county or from a city to serve as a member of the county inspection department,
17 with the approval of the governing body of the other county or city. A county may also
18 contract with an individual who is not a city or county employee but who holds one of
19 the applicable certificates as provided in G.S. 153A-351.1 or G.S. 160A-411.1 or with
20 the employer of an individual who holds one of the applicable certificates as provided in
21 G.S. 153A-351.1 or G.S. 160A-411.1. ~~Contracts with an individual or with the~~
22 ~~employer of an individual who is not an employee of another county or a city may be~~
23 ~~entered into only for specifically designated projects.~~ The inspector, if designated from
24 another county or city under this section, while exercising the duties of the position, is a
25 county employee. The county shall have the same potential liability, if any, for
26 inspections conducted by an individual who is not an employee of the county as it does
27 for an individual who is an employee of the county. The company or individual with

1 whom the county contracts shall have errors and omissions and other insurance
2 coverage acceptable to the county."

3 **SECTION 2.** G.S. 153A-355 reads as rewritten:

4 "**§ 153A-355. Conflicts of interest.**

5 Unless he or she is the owner of the building, no member of an inspection
6 department shall be financially interested or employed by a business that is financially
7 interested in furnishing labor, material, or appliances for the construction, alteration, or
8 maintenance of any building within the county's territorial jurisdiction or any part or
9 system thereof, or in making plans or specifications therefor. No member of any
10 inspection department or other individual or an employee of a company contracting with
11 a county to conduct inspections may engage in any work that is inconsistent with his or
12 her duties or with the interest of the county, as determined by the county. The county
13 must find a conflict of interest if any of the following is the case:

14 (1) If the individual, company, or employee of a company contracting to
15 perform inspections for the county has worked for the owner,
16 developer, contractor, or project manager of the project to be inspected
17 within the last ~~two~~five years.

18 (2) If the individual, company, or employee of a company contracting to
19 perform inspections for the county is closely related to the owner,
20 developer, contractor, or project manager of the project to be
21 inspected.

22 (3) If the individual, company, or employee of a company contracting to perform
23 inspections for the county has a financial or business interest in the project to be
24 inspected."

25 **SECTION 3.** G.S. 160A-413 reads as rewritten:

26 "**§ 160A-413. Joint inspection department; other arrangements.**

27 A city council may enter into and carry out contracts with another city, county, or
28 combination thereof under which the parties agree to create and support a joint
29 inspection department for the enforcement of State and local laws specified in the
30 agreement. The governing boards of the contracting parties are authorized to make any
31 necessary appropriations for this purpose.

32 In lieu of a joint inspection department, a city council may designate an inspector
33 from any other city or county to serve as a member of its inspection department with the
34 approval of the governing body of the other city or county. A city may also contract
35 with an individual who is not a city or county employee but who holds one of the
36 applicable certificates as provided in G.S. 160A-411.1 or G.S. 153A-351.1 or with the
37 employer of an individual who holds one of the applicable certificates as provided in
38 G.S. 160A-411.1 or G.S. 153A-351.1. ~~Contracts with an individual or with the~~
39 ~~employer of an individual who is not an employee of another city or a county may be~~
40 ~~entered into only for specifically designated projects.~~ The inspector, if designated from
41 another city or county under this section, shall, while exercising the duties of the
42 position, be considered a municipal employee. The city shall have the same potential

1 liability, if any, for inspections conducted by an individual who is not an employee of
2 the city as it does for an individual who is an employee of the city. The company or
3 individual with whom the city contracts shall have errors and omissions and other
4 insurance coverage acceptable to the city.

5 The city council of any city may request the board of county commissioners of the
6 county in which the city is located to direct one or more county building inspectors to
7 exercise their powers within part or all of the city's jurisdiction, and they shall thereupon
8 be empowered to do so until the city council officially withdraws its request in the
9 manner provided in G.S. 160A-360(g)."

10 **SECTION 4.** G.S. 160A-415 reads as rewritten:

11 "**§ 160A-415. Conflicts of interest.**

12 No member of an inspection department shall be financially interested or employed
13 by a business that is financially interested in the furnishing of labor, material, or
14 appliances for the construction, alteration, or maintenance of any building within the
15 city's jurisdiction or any part or system thereof, or in the making of plans or
16 specifications therefor, unless he is the owner of the building. No member of an
17 inspection department or other individual or an employee of a company contracting with
18 a city to conduct inspections shall engage in any work that is inconsistent with his or her
19 duties or with the interest of the city, as determined by the city. The city must find a
20 conflict of interest if any of the following is the case:

- 21 (1) If the individual, company, or employee of a company contracting to
22 perform inspections for the city has worked for the owner, developer,
23 contractor, or project manager of the project to be inspected within the
24 last ~~two~~five years.
- 25 (2) If the individual, company, or employee of a company contracting to
26 perform inspections for the city is closely related to the owner,
27 developer, contractor, or project manager of the project to be
28 inspected.
- 29 (3) If the individual, company, or employee of a company contracting to
30 perform inspections for the city has a financial or business interest in
31 the project to be inspected.

32 The provisions of this section do not apply to a firefighter whose primary duties are fire
33 suppression and rescue, but who engages in some fire inspection activities as a
34 secondary responsibility of the firefighter's employment as a firefighter, except no
35 firefighter may inspect any work actually done, or materials or appliances supplied, by
36 the firefighter or the firefighter's business within the preceding six years."

37 **SECTION 5.** This act becomes effective October 1, 2001."