

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 1540

Short Title: Development Managers Not General Contractors. (Public)

Sponsors: Representatives Gibson and Jones (Primary Sponsors).

Referred to: Commerce, Small Business, and Entrepreneurship, if favorable, Finance.

April 27, 2009

A BILL TO BE ENTITLED

1 AN ACT TO CLARIFY THAT ANY PERSON ACTING AS A DEVELOPMENT
2 MANAGER OR CONSULTANT IS NOT DEEMED TO BE A GENERAL
3 CONTRACTOR AND THUS IS NOT SUBJECT TO THE LICENSING OR FEE
4 REQUIREMENTS OF ARTICLE 1 OF CHAPTER 87 OF THE GENERAL STATUTES.
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6 The General Assembly of North Carolina enacts:

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

8 "**§ 87-1. "General contractor" defined; exceptions.**

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

18 This section shall not apply to persons or firms or corporations furnishing or erecting
19 industrial equipment, power plan equipment, radial brick chimneys, and monuments.

20 This section shall not apply to any person or firm or corporation who constructs or alters a
21 building on land owned by that person, firm or corporation provided such building is intended
22 solely for occupancy by that person and his family, firm, or corporation after completion; and
23 provided further that, if such building is not occupied solely by such person and his family,
24 firm, or corporation for at least 12 months following completion, it shall be presumed that the
25 person, firm, or corporation did not intend such building solely for occupancy by that person
26 and his family, firm, or corporation.

27 This section shall not apply to any person engaged in the business of farming who
28 constructs or alters a building on land owned by that person and used in the business of
29 farming, when such building is intended for use by that person after completion.

30 This section and the licensing fees imposed by G.S. 87-10 are not intended to apply, and
31 shall not apply to any person, firm, or corporation who oversees, superintends, or manages the
32 development of real property regardless of the scope of services provided by such person, firm,
33 or corporation, so long as a licensed general contractor is, in good faith, superintending or
34 managing all construction activities related to the development."

35 **SECTION 2.** This act becomes effective October 1, 2009.

