

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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HOUSE DRH70153-LU-84 (03/24)

Short Title: Improve Enforcement/General Contractor Laws.

(Public)

Sponsors: Representatives Hastings and Hager (Primary Sponsors).

Referred to:

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.



1 (a) Any person, ~~firm~~firm, or corporation, upon making application to the building  
2 inspector or such other authority of any incorporated city, ~~town~~town, or county in North  
3 Carolina charged with the duty of issuing building or other permits for the construction of any  
4 building, highway, sewer, ~~grading~~grading, or any improvement or structure where the cost  
5 thereof is to be thirty thousand dollars (\$30,000) or more, shall, before ~~he~~being entitled to  
6 the issuance of ~~such permit~~a permit, satisfy the following:

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

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

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

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

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

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

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

35 (b) ~~and it~~It shall be unlawful for ~~such~~the building inspector or other authority to issue  
36 or allow the issuance of ~~such~~a building permit pursuant to this section unless and until the  
37 applicant has furnished evidence that ~~he~~the applicant is either exempt from the provisions of  
38 ~~this Article~~Article and, if applicable, fully complied with the provisions of subdivision (a)(1)  
39 of this section, or is duly licensed under this Article to carry out or superintend the work for  
40 which permit has been applied; and further, that the applicant has paid the license tax required  
41 by the State Revenue Act then in force so as to be qualified to bid upon or contract for the work  
42 covered by the permit; and further, that the applicant has in effect Workers' Compensation  
43 insurance as required by Chapter 97 of the General Statutes. Any building inspector or other  
44 ~~such~~authority who is subject to and violates the terms of this section shall be guilty of a Class  
45 3 misdemeanor and subject only to a fine of not more than fifty dollars (\$50.00)."

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

47 "**§ 153A-360. Inspections of work in progress.**

48 As the work pursuant to a permit progresses, local inspectors shall make as many  
49 inspections of the work as may be necessary to satisfy them that it is being done according to  
50 the provisions of the applicable State and local laws and local ordinances and regulations and  
51 of the terms of the permit. In exercising this power, each member of the inspection department

1 has a right, upon presentation of proper credentials, to enter on any premises within the  
2 territorial jurisdiction of the department at any reasonable hour for the purposes of inspection or  
3 other enforcement action. If a permit has been obtained by an owner pursuant to  
4 G.S. 87-1(b)(2), no inspection shall be conducted without the owner being personally present."

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

6 "**§ 160A-420. Inspections of work in progress.**

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

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