

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 571
Committee Substitute Favorable 3/23/89

Short Title: General Contractor Financial Resp.

(Public)

Sponsors:

Referred to:

March 14, 1989

A BILL TO BE ENTITLED

AN ACT TO REQUIRE GENERAL CONTRACTORS TO PROVIDE EVIDENCE OF
FINANCIAL RESPONSIBILITY AND TO INCREASE THE PROJECT VALUE
LIMITS FOR THE LIMITED LICENSE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 87-10 reads as rewritten:

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

Anyone seeking to be licensed as a general contractor in this State shall file an application for an examination on a form provided by the Board, at least 30 days before any regular or special meeting of the Board accompanied by an examination fee of twenty-five dollars (\$25.00) and by the sum of one hundred dollars (\$100.00) if the application is for an unlimited license, the sum of seventy-five dollars (\$75.00) if the application is for an intermediate license or the sum of fifty dollars (\$50.00) if the application is for a limited license; the fees and sum accompanying any application shall be nonrefundable. The holder of an unlimited license shall be entitled to act as general contractor without restriction as to value of any single project; the holder of an intermediate license shall be entitled to act as general contractor for any single project with a value of up to five hundred thousand dollars (\$500,000); the holder of a limited license shall be entitled to act as general contractor for any single project with a value of up to ~~one hundred seventy five thousand dollars (\$175,000)~~ two hundred fifty thousand dollars (\$250,000); and the license certificate shall be classified in accordance with this section. Before being entitled to an examination an applicant must show to the satisfaction of the Board from the application and proofs furnished that the applicant is

1 possessed of a good character and is otherwise qualified as to competency, ~~ability and~~
2 ~~integrity, ability, integrity, and financial responsibility,~~ and that the applicant has not
3 committed or done any act, which, if committed or done by any licensed contractor
4 would be grounds under the provisions hereinafter set forth for the suspension or
5 revocation of contractor's license, or that the applicant has not committed or done any
6 act involving dishonesty, fraud, or deceit, or that the applicant has never been refused a
7 license as a general contractor nor had such license revoked, either in this State or in
8 another state, for reasons that should preclude the granting of the license applied for,
9 and that the applicant has never been convicted of a felony involving moral turpitude,
10 relating to building or contracting, or involving embezzlement or misappropriation of
11 funds or property entrusted to the applicant: Provided, no applicant shall be refused the
12 right to an examination, except in accordance with the provisions of Chapter ~~150A-~~150B
13 of the General Statutes.

14 The Board shall conduct an examination, either oral or written, of all applicants for
15 license to ascertain the ability of the applicant to make a practical application of his
16 knowledge of the profession of contracting, under the classification contained in the
17 application, and to ascertain the qualifications of the applicant in reading plans and
18 specifications, knowledge of estimating costs, construction, ethics and other similar
19 matters pertaining to the contracting business and knowledge of the applicant as to the
20 responsibilities of a contractor to the public and of the requirements of the laws of the
21 State of North Carolina relating to contractors, construction and liens. If the results of
22 the examination of the applicant shall be satisfactory to the Board, then the Board shall
23 issue to the applicant a certificate to engage as a general contractor in the State of North
24 Carolina, as provided in said certificate, which may be limited into five classifications
25 as the common use of the terms are known – that is,

- 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
30 North Carolina Uniform Residential Building Code (Vol. 1-B);
- 31 (2) Highway contractor;
- 32 (3) Public utilities contractors, which shall include those whose operations
33 are the performance of construction work on the following
34 subclassifications of facilities:
- 35 a. Water and sewer mains and water service lines and house and
36 building sewer lines as defined in the North Carolina State
37 Building Code, and water storage tanks, lift stations, pumping
38 stations, and appurtenances to water storage tanks, lift stations
39 and pumping stations;
- 40 b. Water and wastewater treatment facilities and appurtenances
41 thereto;
- 42 c. Electrical power transmission facilities, and primary and
43 secondary distribution facilities ahead of the point of delivery of
44 electric service to the customer;

- 1 d. Public communication distribution facilities; and
2 e. Natural gas and other petroleum products distribution facilities;
3 provided the General Contractors Licensing Board may issue
4 license to a public utilities contractor limited to any of the
5 above subclassifications for which the general contractor
6 qualifies, and

- 7 (4) Specialty contractor, which shall include those whose operations as
8 such are the performance of construction work requiring special skill
9 and involving the use of specialized building trades or crafts, but
10 which shall not include any operations now or hereafter under the
11 jurisdiction, for the issuance of license, by any board or commission
12 pursuant to the laws of the State of North Carolina.

13 Public utilities contractors constructing water service lines and house and building
14 sewer lines as provided in (3)a above shall terminate said lines at a valve, box, meter, or
15 manhole or cleanout at which the facilities from the building may be connected.

16 If an applicant is an individual, examination may be taken by his personal
17 appearance for examination, or by the appearance for examination of one or more of his
18 responsible managing employees, and if a copartnership or corporation, or any other
19 combination or organization, by the examination of one or more of the responsible
20 managing officers or members of the personnel of the applicant, and if the person so
21 examined shall cease to be connected with the applicant, then in such event the license
22 shall remain in full force and effect for a period of 30 days thereafter, and then be
23 canceled, but the applicant shall then be entitled to a reexamination, all pursuant to the
24 rules to be promulgated by the Board: Provided, that the holder of such license shall not
25 bid on or undertake any additional contracts from the time such examined employee
26 shall cease to be connected with the applicant until said applicant's license is reinstated
27 as provided in this Article.

28 Anyone failing to pass this examination may be reexamined at any regular meeting
29 of the Board upon payment of an examination fee of twenty-five dollars (\$25.00).
30 Anyone requesting to take the examination a third or subsequent time shall submit a
31 new application with the appropriate examination and license fees. Certificate of license
32 shall expire on the thirty-first day of December following the issuance or renewal and
33 shall become invalid 60 days from that date unless renewed, subject to the approval of
34 the Board. Renewals may be effected any time during the month of January without
35 reexamination, by the payment of a fee to the secretary of the Board of seventy-five
36 dollars (\$75.00) for unlimited license, fifty dollars (\$50.00) for intermediate license and
37 twenty-five dollars (\$25.00) for limited license. Renewal applications shall be
38 accompanied by evidence of continued financial responsibility satisfactory to the Board.
39 Renewal applications received by the Board after January shall be accompanied by a
40 late payment of ten dollars (\$10.00) for each month or part after January. After a lapse
41 of two years no renewal shall be effected and the applicant shall fulfill all requirements
42 of a new applicant as set forth in this section.”

43 Sec. 2. This act is effective upon ratification.