

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 719

Insurance Committee Substitute Adopted 5/13/91

House Committee Substitute Favorable 6/25/92

Fourth Edition Engrossed 7/1/92

Short Title: Improve Regulation of Contractors.

(Public)

Sponsors:

Referred to:

April 22, 1991

A BILL TO BE ENTITLED

AN ACT TO DECREASE THE PROJECT COST MINIMUM FOR APPLICABILITY OF CONTRACTORS LICENSURE REQUIREMENTS, TO CLARIFY EXEMPTION PROVISIONS, AND TO REQUIRE EVIDENCE OF INSURANCE COVERAGE TO BE DEMONSTRATED.

The General Assembly of North Carolina enacts:

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

"§ 87-1. 'General contractor' defined; exceptions.

For the purpose of this Article any person or firm or corporation who for a fixed price, commission, fee, or wage, undertakes to bid upon or to construct or who undertakes to superintend or manage, on his own behalf or for any person, firm, or corporation that is not licensed as a general contractor pursuant to this Article, the construction of any building, highway, public utilities, grading or any improvement or structure where the cost of the undertaking is ~~forty five~~ thirty thousand dollars ~~(\$45,000)~~ (\$30,000) or more, or undertakes to erect a North Carolina labeled manufactured modular building meeting the North Carolina State Building Code, shall be deemed to be a 'general contractor' engaged in the business of general contracting in the State of North Carolina.

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

1 This section shall not apply to any person or firm or corporation who constructs or
2 alters a building on land owned by that person, firm or corporation when provided such
3 building is intended for use by that person, firm, or corporation after completion, solely for
4 occupancy by that person and his family, firm, or corporation after completion; and
5 provided further that, if such building is not occupied solely by such person and his
6 family, firm, or corporation for at least 12 months following completion, it shall be
7 presumed that the person, firm, or corporation did not intend such building solely for
8 occupancy by that person and his family, firm, or corporation.

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

12 Sec. 2. G.S. 87-14 reads as rewritten:

13 **"§ 87-14. Regulations as to issue of building permits.**

14 Any person, firm or corporation, upon making application to the building inspector
15 or such other authority of any incorporated city, town or county in North Carolina
16 charged with the duty of issuing building or other permits for the construction of any
17 building, highway, sewer, grading or any improvement or structure where the cost
18 thereof is to be ~~forty five~~ thirty thousand dollars ~~(\$45,000)~~ (\$30,000) or more, shall,
19 before he be entitled to the issuance of such permit, furnish satisfactory proof to such
20 inspector or authority that he or another person contracting to superintend or manage the
21 construction is duly licensed under the terms of this Article to carry out or superintend
22 the same, and that he has paid the license tax required by the Revenue Act of the State
23 of North Carolina then in force so as to be qualified to bid upon or contract for the work
24 for which the permit has been ~~applied;~~ applied, and that he has in effect Workers'
25 Compensation insurance as required by Chapter 97 of the General Statutes; and it shall
26 be unlawful for such building inspector or other authority to issue or allow the issuance
27 of such building permit unless and until the applicant has furnished evidence that he is
28 either exempt from the provisions of this Article or is duly licensed under this Article to
29 carry out or superintend the work for which permit has been applied; and further, that
30 the applicant has paid the license tax required by the State Revenue Act then in force so
31 as to be qualified to bid upon or contract for the work covered by the permit; and
32 further, that the applicant has in effect Workers' Compensation insurance as required by
33 Chapter 97 of the General Statutes. and such ~~Any building inspector, or other such~~
34 ~~authority, violating~~ inspector or other such authority who is subject to and violates the
35 terms of this section shall be guilty of a misdemeanor and subject to a fine of not more
36 than fifty dollars (\$50.00)."

37 Sec. 3. This act is effective upon ratification and applies to bids made,
38 projects undertaken, or permits applied for on or after that date, except that any person,
39 firm, or corporation that, upon the effective date of this act, owns land on which the
40 person, firm, or corporation intends to construct multifamily residential dwelling units
41 not intended for occupancy by the person, firm, or corporation after completion shall
42 have one year from the effective date to obtain a building permit and begin construction
43 of the units.