

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

**SESSION LAW 2005-381  
SENATE BILL 1013**

AN ACT AUTHORIZING THE STATE LICENSING BOARD FOR GENERAL CONTRACTORS TO INCREASE FEES AND AMENDING CERTAIN PROVISIONS RELATING TO COST RECOVERY UNDER THE LAWS REGULATING GENERAL CONTRACTORS.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 87-10(a) reads as rewritten:

"(a) 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~~ Board. The Board may require the applicant to pay the Board or a provider contracted by the Board an examination fee of fifty dollars (\$50.00) not to exceed one hundred dollars (\$100.00) and by the sum of one hundred dollars (\$100.00) pay to the Board a license fee not to exceed one hundred twenty-five dollars (\$125.00) if the application is for an unlimited license, the sum of seventy-five dollars (\$75.00) one hundred dollars (\$100.00) if the application is for an intermediate license or the sum of fifty dollars (\$50.00) license, or seventy-five dollars (\$75.00) if the application is for a limited license; the fees and sum license. The fees accompanying any application or examination 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 seven hundred thousand dollars (\$700,000); the holder of a limited license shall be entitled to act as general contractor for any single project with a value of up to three hundred fifty thousand dollars (\$350,000); 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 possessed of a good character and is otherwise qualified as to competency, ability, integrity, and financial responsibility, and that the applicant has not committed or done any act, which, if committed or done by any licensed contractor would be grounds under the provisions hereinafter set forth for the suspension or revocation of contractor's license, or that the applicant has not committed or done any act involving dishonesty, fraud, or deceit, or that the applicant has never been refused a license as a general contractor nor had such license revoked, either in this State or in another state, for reasons that should preclude the granting of the license applied for, and that the applicant has never been convicted of a felony involving moral turpitude, relating to building or contracting, or involving embezzlement or misappropriation of funds or property entrusted to the applicant: Provided, no applicant shall be refused the right to an examination, except in accordance with the provisions of Chapter 150B of the General Statutes."

**SECTION 2.** G.S. 87-10(d) reads as rewritten:

"(d) Anyone failing to pass this examination may be reexamined at any regular meeting of the Board upon payment of an examination ~~fee of fifty dollars (\$50.00)-fee.~~ Anyone requesting to take the examination a third or subsequent time shall submit a new application with the appropriate examination and license fees."

**SECTION 3.** G.S. 87-10(e) reads as rewritten:

"(e) A certificate of license shall expire on the thirty-first day of December following its issuance or renewal and shall become invalid 60 days from that date unless renewed, subject to the approval of the Board. Renewals may be effected any time during the month of January without reexamination, by the payment of a fee to the secretary of the Board. The fee shall not exceed ~~one hundred dollars (\$100.00)~~ one hundred twenty-five dollars (\$125.00) for an unlimited license, ~~seventy five dollars (\$75.00)~~ one hundred dollars (\$100.00) for an intermediate ~~license~~ license, and ~~fifty dollars (\$50.00)~~ seventy-five dollars (\$75.00) for a limited license. No later than November 30 of each year, the Board shall mail written notice of the amount of the renewal fees for the upcoming year to the last address of record for each general contractor licensed pursuant to this Article. Renewal applications shall be accompanied by evidence of continued financial responsibility satisfactory to the Board. Renewal applications received by the Board after January shall be accompanied by a late payment of ten dollars (\$10.00) for each month or part after January. After a lapse of two years no renewal shall be effected and the applicant shall fulfill all requirements of a new applicant as set forth in this section."

**SECTION 4.** G.S. 87-11 is amended by adding the following new subsection to read:

"(e) The Board shall be entitled to recover its reasonable administrative costs associated with the investigation and prosecution of a violation of this Article or rules or regulations of the Board up to a maximum of five thousand dollars (\$5,000) for any licensee or qualifying party found to have committed any of the following:

- (1) Fraud or deceit in obtaining a license.
- (2) Gross negligence, incompetency, or misconduct in the practice of general contracting.
- (3) Willful violation of any provision of this Article."

**SECTION 5.** G.S. 87-13.1 reads as rewritten:

**"§ 87-13.1. Board may seek injunctive relief.**

Whenever the Board determines that any person, firm or corporation has violated or is violating any of the provisions of this Article or rules and regulations of the Board promulgated under this Article, the Board may apply to the superior court for a restraining order and injunction to restrain the violation; and the superior courts have jurisdiction to grant the requested relief, irrespective of whether or not criminal prosecution has been instituted or administrative sanctions imposed by reason of the violation. The court may award the Board its reasonable costs associated with the investigation and prosecution of the violation."

**SECTION 6.** Sections 1, 2, 3, and 6 of this act are effective when it becomes law. Sections 4 and 5 become effective October 1, 2005, and apply to violations that occur on or after that date.

In the General Assembly read three times and ratified this the 24<sup>th</sup> day of August, 2005.

s/ Beverly E. Perdue  
President of the Senate

s/ James B. Black  
Speaker of the House of Representatives

s/ Michael F. Easley  
Governor

Approved 3:25 p.m. this 8<sup>th</sup> day of September, 2005