GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2015

Н 3

HOUSE BILL 255

Committee Substitute Favorable 3/31/15 Committee Substitute #2 Favorable 4/14/15

| Short Title: | Building Code Reg. Reform. | (Public) |
|--------------|----------------------------|----------|
| Sponsors: | | |
| Referred to: | | |

March 18, 2015

A BILL TO BE ENTITLED

2 AN ACT TO REFORM BUILDING CODE ENFORCEMENT TO PROMOTE ECONOMIC 3 GROWTH BY CONFORMING WORK IN PROGRESS INSPECTION AUTHORITY TO

RECENTLY ENACTED INSPECTION LIMITATIONS, BY REQUIRING THE BUILDING CODE COUNCIL TO STUDY THE ALTERNATE METHODS APPROVAL PROCESS, BY CLARIFYING THE DEFINITION OF OFFICIAL MISCONDUCT FOR CODE OFFICIALS, BY RAISING THE THRESHOLD FOR REQUIREMENT OF A BUILDING PERMIT, BY CREATING THE BUILDING CODE COUNCIL RESIDENTIAL CODE COMMITTEE AND THE BUILDING CODE COMMITTEE, BY REQUIRING INTERNET POSTING OF CERTAIN COUNCIL DECISIONS AND INTERPRETATIONS, BY CLARIFYING THAT INSPECTION FEES COLLECTED BY CITIES AND COUNTIES MAY ONLY BE USED TO SUPPORT THE INSPECTION DEPARTMENT, AND BY REQUIRING THAT INSPECTIONS BE PERFORMED IN FULL AND IN A TIMELY MANNER AND INSPECTION REPORTS TO INCLUDE

ALL ITEMS FAILING TO MEET CODE REQUIREMENTS. The General Assembly of North Carolina enacts:

PART I. COMPLIANCE WITH BUILDING CODE INSPECTION REQUIREMENTS

SECTION 1.(a) G.S. 153A-360 reads as rewritten:

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

As Subject to the limitation imposed by G.S. 153A-352(b), as the work pursuant to a permit progresses, local inspectors shall make as many inspections of the work as may be necessary to satisfy them that it is being done according to the provisions of the applicable State and local laws and local ordinances and regulations and of the terms of the permit. In exercising this power, each member of the inspection department has a right, upon presentation of proper credentials, to enter on any premises within the territorial jurisdiction of the department at any reasonable hour for the purposes of inspection or other enforcement action. If a permit has been obtained by an owner exempt from licensure under G.S. 87-1(b)(2), no inspection shall be conducted without the owner being personally present, unless the plans for the building were drawn and sealed by an architect licensed pursuant to Chapter 83A of the General Statutes."

SECTION 1.(b) G.S. 160A-420 reads as rewritten:

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

As Subject to the limitation imposed by G.S. 160A-412(b), as the work pursuant to a permit progresses, local inspectors shall make as many inspections thereof as may be necessary to satisfy them that the work is being done according to the provisions of any applicable State and



local laws and of the terms of the permit. In exercising this power, members of the inspection department shall have a right to enter on any premises within the jurisdiction of the department at all reasonable hours for the purposes of inspection or other enforcement action, upon presentation of proper credentials. If a permit has been obtained by an owner exempt from licensure under G.S. 87-1(b)(2), no inspection shall be conducted without the owner being personally present, unless the plans for the building were drawn and sealed by an architect licensed pursuant to Chapter 83A of the General Statutes."

1 2

PART II. STUDY ALTERNATIVE APPROVAL METHODS

SECTION 2. The North Carolina Building Code Council shall study procedures and policies for the approval of alternative materials, designs, or methods. The study shall include review of the following elements:

- (1) The alternate methods application process, including requirements for initial application submittal, supporting information, and site-specific or project-specific application submittals.
- (2) Time lines for the application process, including application submittal, Council review, and final approval or denial of applications, including the feasibility of a requirement that final determinations be rendered on a completed application within 30 days of the date an application is determined to be complete.
- (3) Procedures for appeal of applications denied by the Council.

In conducting the study, the Council may utilize support services provided by staff from the Engineering Division of the Department of Insurance. The Council shall report its findings and recommendations, including any proposed legislative changes, to the 2016 Regular Session of the 2015 General Assembly when it convenes.

PART III. CLARIFY OFFICIAL MISCONDUCT FOR CODE OFFICIALS

SECTION 3.(a) G.S. 143-151.8 is amended by adding a new subsection to read:

- "(c) For purposes of this Article, "willful misconduct, gross negligence, or gross incompetence" in addition to the meaning of those terms under other provisions of the General Statutes or at common law, shall include any of the following:
 - (1) The enforcement of a Code requirement applicable to a certain area or set of circumstances in other areas or circumstances not specified in the requirement.
 - (2) For an alternative design or construction method that has been appealed under G.S. 143-140.1 and found by the Department of Insurance to comply with the Code, to refuse to accept the decision by the Department to allow that alternative design or construction method under the conditions or circumstances set forth in the Department's decision for that appeal.
 - (3) For an alternative construction method currently included in the Building Code, to refuse to allow the alternative method under the conditions or circumstances set forth in the Code for that alternative method.
 - (4) The enforcement of a requirement that is more stringent than or otherwise exceeds the Code requirement.
 - (5) To refuse to implement or adhere to an interpretation of the Building Code issued by the Building Code Council or the Department of Insurance.
 - (6) The habitual failure to provide requested inspections in a timely manner."

SECTION 3.(b) The North Carolina Code Officials Qualification Board shall, no later than October 1, 2015, notify all Code enforcement officials in the State of the clarification to the grounds for disciplinary action enacted by this act.

Page 2 H255 [Edition 3]

PART IV. RAISE THRESHOLD FOR BUILDING PERMIT REQUIREMENT SECTION 4.1. G.S. 143-138(b5) reads as rewritten:

"(b5) Exclusion for Certain Minor Activities in Residential and Farm Structures. - No building permit shall be required under the Code or any local variance thereof approved under subsection (e) for any construction, installation, repair, replacement, or alteration costing five thousand dollars (\$5,000) fifteen thousand dollars (\$15,000) or less in any single family residence or farm building unless the work involves: the addition, repair, or replacement of load bearing structures; the addition (excluding replacement of same capacity) or change in the design of plumbing; the addition, replacement or change in the design of heating, air conditioning, or electrical wiring, devices, fixtures (excluding repair or replacement of electrical lighting devices and fixtures of the same type), appliances (excluding replacement of water heaters, provided that the energy use rate or thermal input is not greater than that of the water heater which is being replaced, and there is no change in fuel, energy source, location, capacity, or routing or sizing of venting and piping), or equipment, the use of materials not permitted by the North Carolina Uniform Residential Building Code; or the addition (excluding replacement of like grade of fire resistance) of roofing. The exclusions from building permit requirements set forth in this paragraph for electrical lighting devices and fixtures and water heaters shall apply only to work performed on a one- or two-family dwelling. In addition, exclusions for electrical lighting devices and fixtures and electric water heaters shall apply only to work performed by a person licensed under G.S. 87-43 and exclusions for water heaters, generally, to work performed by a person licensed under G.S. 87-21."

SECTION 4.2.(a) G.S. 153A-357(a2) is recodified as G.S. 153A-357(a3).

SECTION 4.2.(b) G.S. 153A-357, as amended by subsection (a) of this section, reads as rewritten:

"§ 153A-357. Permits.

.

1 2

(a1) A permit shall be in writing and shall contain a provision that the work done shall comply with the State Building Code and all other applicable State and local laws and local ordinances and regulations. Nothing in this section shall require a county to review and approve residential building plans submitted to the county pursuant to Section R-110 of Volume VII of the North Carolina State Building Code; provided that the county may review and approve such residential building plans as it deems necessary. No permit may be issued unless the plans and specifications are identified by the name and address of the author thereof; and if the General Statutes of North Carolina require that plans for certain types of work be prepared only by a registered licensed architect or registered licensed engineer, no permit may be issued unless the plans and specifications bear the North Carolina seal of a registered licensed architect or of a registered licensed engineer. If a provision of the General Statutes of North Carolina or of any ordinance requires that work be done by a licensed specialty contractor of any kind, no permit for the work may be issued unless the work is to be performed by such a duly licensed contractor.

(a2) No permit issued under Articles 9 or 9C of G.S. Chapter 143 shall be required for any construction, installation, repair, replacement, or alteration costing five thousand dollars (\$5,000) fifteen thousand dollars (\$15,000) or less in any single-family residence or farm building unless the work involves: the addition, repair or replacement of load bearing structures; the addition (excluding replacement of same size and capacity) or change in the design of plumbing; the addition, replacement or change in the design of heating, air conditioning, or electrical wiring, devices, appliances, or equipment; the use of materials not permitted by the North Carolina Uniform Residential Building Code; or the addition (excluding replacement of like grade of fire resistance) of roofing. Violation of this section constitutes a Class 1 misdemeanor.

...."

H255 [Edition 3] Page 3

SECTION 4.3.(a) G.S. 160A-417(a2) is recodified as G.S. 160A-417(a3). **SECTION 4.3.(b)** G.S. 160A-417, as amended by subsection (a) of this section, reads as rewritten:

"§ 160A-417. Permits.

.

1 2

- comply with the State Building Code and all other applicable State and local laws. Nothing in this section shall require a city to review and approve residential building plans submitted to the city pursuant to Section R-110 of Volume VII of the North Carolina State Building Code; provided that the city may review and approve such residential building plans as it deems necessary. No permits shall be issued unless the plans and specifications are identified by the name and address of the author thereof, and if the General Statutes of North Carolina require that plans for certain types of work be prepared only by a registered_licensed_architect or registered_licensed_engineer, no permit shall be issued unless the plans and specifications bear the North Carolina seal of a registered_licensed_architect or of a registered_licensed_engineer. When any provision of the General Statutes of North Carolina or of any ordinance requires that work be done by a licensed specialty contractor of any kind, no permit for the work shall be issued unless the work is to be performed by such a duly licensed contractor.
- (a2) No permit issued under Articles 9 or 9C of Chapter 143 shall be required for any construction, installation, repair, replacement, or alteration costing five thousand dollars (\$5,000) fifteen thousand dollars (\$15,000) or less in any single family residence or farm building unless the work involves: the addition, repair or replacement of load bearing structures; the addition (excluding replacement of same size and capacity) or change in the design of plumbing; the addition, replacement or change in the design of heating, air conditioning, or electrical wiring, devices, appliances, or equipment; the use of materials not permitted by the North Carolina Uniform Residential Building Code; or the addition (excluding replacement of like grade of fire resistance) of roofing. Violation of this section shall constitute a Class 1 misdemeanor.

...."

PART V. CREATE BUILDING CODE COUNCIL RESIDENTIAL CODE COMMITTEE AND BUILDING CODE COMMITTEE

SECTION 5.1. G.S. 143-136 reads as rewritten:

"§ 143-136. Building Code Council created; membership.membership, committees.

- (a) Creation; Membership; Terms. There is hereby created a Building Code Council, which shall be composed of 17 members appointed by the Governor, consisting of the following:
 - (1) two registered architects, Two licensed architects.
 - (2) one-One licensed general contractor, contractor.
 - (3) one One licensed general contractor specializing in residential construction, construction.
 - (4) oneOne licensed general contractor specializing in coastal residential construction, construction.
 - (5) one registered One licensed engineer practicing structural engineering, engineering.
 - (6) one registered One licensed engineer practicing mechanical engineering, engineering.
 - (7) one registered One licensed engineer practicing electrical engineering, engineering.
 - (8) one One licensed plumbing and heating contractor, contractor.
 - (9) one One municipal or county building inspector, inspector.

Page 4 H255 [Edition 3]

- (10) one One licensed liquid petroleum gas dealer/contractor involved in the design of natural and liquid petroleum gas systems who has expertise and experience in natural and liquid petroleum gas piping, venting and appliances, appliances.
 - (11) a—One representative of the public who is not a member of the building construction industry, industry.
 - (12) a One licensed electrical contractor, contractor.
 - (13) a registered One licensed engineer on the engineering staff of a State agency charged with approval of plans of State-owned buildings, buildings.
 - (14) a-One municipal elected official or city manager, manager.
 - (15) a-One county commissioner or county manager, manager.
 - (16) and an One active member of the North Carolina fire service with expertise in fire safety.

In selecting the municipal and county members, preference should be given to members who qualify as either a registered-licensed architect, registered-licensed engineer, or licensed general contractor. Of the members initially appointed by the Governor, three shall serve for terms of two years each, three shall serve for terms of four years each, and three shall serve for terms of six years each. Thereafter, all appointments shall be for terms of six years. The Governor may remove appointive members at any time. Neither the architect nor any of the above named engineers shall be engaged in the manufacture, promotion or sale of any building material, and any member who shall, during his term, cease to meet the qualifications for original appointment (through ceasing to be a practicing member of the profession indicated or otherwise) shall thereby forfeit his membership on the Council. In making new appointments or filling vacancies, the Governor shall ensure that minorities and women are represented on the Council.

The Governor may make appointments to fill the unexpired portions of any terms vacated by reason of death, resignation, or removal from office. In making such appointment, he shall preserve the composition of the Council required above.

- (b) Compensation. Members of the Building Code Council other than any who are employees of the State shall receive seven dollars (\$7.00) per day, including necessary time spent in traveling to and from their place of residence within the State to any place of meeting or while traveling on official business of the Council. In addition, all members shall receive mileage and subsistence according to State practice while going to and from any place of meeting, or when on official business of the Council.
- Residential Code Committee Created; Duties. Within the Building Code Council, there is hereby created a Residential Code for One- and Two-Family Dwellings Committee composed of five members of the Building Code Council, specifically the licensed general contractor specializing in residential construction who shall serve as chairman of this committee; the licensed general contractor specializing in coastal residential construction; the licensed engineer practicing structural engineering; the licensed plumbing and heating contractor; and the licensed electrical contractor. This committee shall meet upon the call of its chairman to review any proposal for revision or amendment to the North Carolina State Building Code: Residential Code for One- and Two-Family Dwellings, including provisions applicable to One- and Two-Family Dwellings from the NC Energy Code, NC Electrical Code, NC Fuel Gas Code, NC Plumbing Code, the NC Mechanical Code, and the NC Existing Building Code, and no revision or amendment to any of these codes applicable to residential construction may be considered by the Building Code Council unless recommended by this committee. This committee shall also oversee the process by which the Council conducts its revision pursuant to G.S. 143-138(d). This committee shall also consider any appeal or interpretation arising under G.S. 143-141 pertaining to North Carolina State Building Code:

H255 [Edition 3] Page 5

4 5

6 7

8

9

10

11

12

13

14

15

16

17

18 19

20

21

22

23

24

2526

27

28 29

30

31

32

33

34

35

36

37

38

39

40

41 42

43

44

45

46 47

48

49

50

51

- Residential Code for One- and Two-Family Dwellings and make a recommendation to the Building Code Council for disposition of the appeal or interpretation.
 - (d) <u>Building Code Committee Created; Duties. Within the Building Code Council, there is hereby created a Building Code Committee for all structures except those subject to the North Carolina State Building Code: Residential Code for One- and Two-Family Dwellings. The committee shall be composed of the following eight members of the Building Code Council:</u>
 - (1) One of the licensed architects appointed by the chairman of the Building Code Council.
 - (2) The licensed engineer practicing mechanical engineering.
 - (3) The licensed engineer practicing electrical engineering.
 - (4) The licensed engineer practicing structural engineering.
 - (5) The municipal elected official.
 - (6) The fire service representative.
 - (7) The municipal or county building inspector.
 - (8) The State agency engineer.

The chairman of the Building Code Council shall call the first meeting of the Committee, at which meeting the Committee shall elect a chairman from among the members of the Committee as the first order of business. Thereafter, the Committee shall meet upon the call of the chairman to review any proposal for revision or amendment to the North Carolina State Building Code, including provisions applicable to the North Carolina Energy Code, the North Carolina Electrical Code, the North Carolina Fuel Gas Code, the North Carolina Plumbing Code, the North Carolina Mechanical Code, and the North Carolina Existing Building Code, and no revision or amendment to any of these codes applicable to commercial or multi-family construction may be considered by the Building Code Council unless recommended by this committee. This committee shall also oversee the process by which the Council conducts its revision of the codes applicable to commercial or multi-family construction pursuant to G.S. 143-138(d). This committee shall also consider any appeal or interpretation arising under G.S. 143-141 pertaining to codes applicable to commercial or multi-family construction and make a recommendation to the Building Code Council for disposition of the appeal or interpretation."

SECTION 5.2. G.S. 143-138(d) reads as rewritten:

''(d)Amendments of the Code. - The Subject to the procedures set forth in G.S. 143-136(c) and (d), the Building Code Council may periodically revise and amend the North Carolina State Building Code, either on its own motion or upon application from any citizen, State agency, or political subdivision of the State. In addition to the periodic revisions or amendments made by the Council, the Council shall shall, following the procedure set forth in G.S. 143-136(c), revise the North Carolina State Building Code: Residential Code for Oneand Two-Family Dwellings, including provisions applicable to One- and Two-Family Dwellings from the NC Energy Code, NC Electrical Code, NC Fuel Gas Code, NC Plumbing Code, and NC Mechanical Code only every six years, to become effective the first day of January of the following year, with at least six months between adoption and effective date. The first six-year revision under this subsection shall be adopted to become effective January 1, 2019, and every six years thereafter. In adopting any amendment, the Council shall comply with the same procedural requirements and the same standards set forth above for adoption of the Code. The Council, through the Department of Insurance, shall publish in the North Carolina Register and shall post on the Council's Web site all appeal decisions made by the Council and all formal opinions at least semiannually. The Council, through the Department of Insurance, shall also publish at least semiannually in the North Carolina Register a statement providing the accurate Web site address and information on how to find additional commentary and interpretation of the Code."

Page 6 H255 [Edition 3]

PART VI. BUILDING CODE COUNCIL REQUIRED WEB SITE POSTINGS

SECTION 6.1. G.S. 143-141 is amended by adding a new subsection to read:

"(c1) Posting on Department Web Site. – The Department of Insurance shall post and maintain on that portion of its Web site devoted to the Building Code Council all appeal decisions, interpretations, and variations of the Code issued by the Council within three business days of issuance."

SECTION 6.2. G.S. 143-138.1(b) reads as rewritten:

"(b) The Department of Insurance shall post and maintain on its Web site that portion of its Web site devoted to the Building Code Council written commentaries and written interpretations made and given by staff to the North Carolina Building Code Council and the Department for each section of the North Carolina Building Code. Code within three business days of issuance."

PART VII. INSPECTION FEES TO BE SPENT ONLY FOR ACTIVITIES OF INSPECTION DEPARTMENT

SECTION 7.1. G.S. 153A-354 reads as rewritten:

"§ 153A-354. Financial support.

A county may appropriate any available funds for the support of its inspection department. It may provide for paying inspectors fixed salaries, or it may reimburse them for their services by paying over part or all of any fees collected. It may fix reasonable fees for issuing permits, for inspections, and for other services of the inspection department. All fees collected under the authority set forth in this section shall be used for support of the administration and activities of the inspection department and for no other purpose."

SECTION 7.2. G.S. 160A-414 reads as rewritten:

"§ 160A-414. Financial support.

The city council may appropriate for the support of the inspection department any funds that it deems necessary. It may provide for paying inspectors fixed salaries or it may reimburse them for their services by paying over part or all of any fees collected. It shall have power to fix reasonable fees for issuance of permits, inspections, and other services of the inspection department. All fees collected under the authority set forth in this section shall be used for support of the administration and activities of the inspection department and for no other purpose."

PART VIII. INSPECTIONS TO BE PERFORMED IN FULL AND IN A TIMELY MANNER AND INSPECTION REPORTS TO INCLUDE ALL ITEMS FAILING TO MEET CODE REQUIREMENTS

SECTION 8.1. G.S. 153A-352 reads as rewritten:

"§ 153A-352. Duties and responsibilities.

- (a) The duties and responsibilities of an inspection department and of the inspectors in it are to enforce within the county's territorial jurisdiction State and local laws and local ordinances and regulations relating to:
 - (1) The construction of buildings;
 - (2) The installation of such facilities as plumbing systems, electrical systems, heating systems, refrigeration systems, and air-conditioning systems;
 - (3) The maintenance of buildings in a safe, sanitary, and healthful condition;
 - (4) Other matters that may be specified by the board of commissioners.

These duties and responsibilities include receiving applications for permits and issuing or denying permits, making necessary inspections, inspections in a timely manner, issuing or denying certificates of compliance, issuing orders to correct violations, bringing judicial actions against actual or threatened violations, keeping adequate records, and taking any other actions

H255 [Edition 3] Page 7

 that may be required to adequately enforce the laws and ordinances and regulations. The board of commissioners may enact reasonable and appropriate provisions governing the enforcement of the laws and ordinances and regulations.

(b) Except as provided in G.S. 153A-364, a county may not adopt a local ordinance or resolution or any other policy that requires regular, routine inspections of buildings or structures constructed in compliance with the North Carolina Residential Code for One- and Two-Family Dwellings in addition to the specific inspections required by the North Carolina Building Code Council. The North Carolina Building Code Council shall review all applications for additional inspections requested by a county and shall, in a reasonable manner, approve or disapprove the additional inspections. This subsection does not limit the authority of the county to require inspections upon unforeseen or unique circumstances that require immediate action. In performing the specific inspections required by the North Carolina Building Code, the inspector shall conduct a full inspection and provide the permit holder with a complete list of all items which fail to meet the requirements of the North Carolina Residential Code for One-and Two-Family Dwellings."

SECTION 8.2. G.S. 160A-412 reads as rewritten:

"§ 160A-412. Duties and responsibilities.

- (a) The duties and responsibilities of an inspection department and of the inspectors therein shall be to enforce within their territorial jurisdiction State and local laws relating to
 - (1) The construction of buildings and other structures;
 - (2) The installation of such facilities as plumbing systems, electrical systems, heating systems, refrigeration systems, and air-conditioning systems;
 - (3) The maintenance of buildings and other structures in a safe, sanitary, and healthful condition;
 - (4) Other matters that may be specified by the city council.

These duties shall include the receipt of applications for permits and the issuance or denial of permits, the making of any necessary inspections, inspections in a timely manner, the issuance or denial of certificates of compliance, the issuance of orders to correct violations, the bringing of judicial actions against actual or threatened violations, the keeping of adequate records, and any other actions that may be required in order adequately to enforce those laws. The city council shall have the authority to enact reasonable and appropriate provisions governing the enforcement of those laws.

(b) Except as provided in G.S. 160A-424, a city may not adopt a local ordinance or resolution or any other policy that requires regular, routine inspections of buildings or structures constructed in compliance with the North Carolina Residential Code for One- and Two-Family Dwellings in addition to the specific inspections required by the North Carolina Building Code Council. The North Carolina Building Code Council shall review all applications for additional inspections requested by a city and shall, in a reasonable manner, approve or disapprove the additional inspections. This subsection does not limit the authority of the city to require inspections upon unforeseen or unique circumstances that require immediate action. In performing the specific inspections required by the North Carolina Building Code, the inspector shall conduct a full inspection and provide the permit holder with a complete list of all items which fail to meet the requirements of the North Carolina Residential Code for One-and Two-Family Dwellings."

PART IX. EFFECTIVE DATE

SECTION 9. This act becomes effective October 1, 2015.

Page 8 H255 [Edition 3]