

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 661
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10259-BGf-2

Short Title: Building Industry Efficiency Act of 2025.

(Public)

Sponsors: Representative Brody.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO AMEND VARIOUS LAWS TO PROVIDE ADDITIONAL BUILDING
INDUSTRY EFFICIENCY.
The General Assembly of North Carolina enacts:

PART I. LOCAL DEVELOPMENT AND CONSTRUCTION REGULATION

**PROHIBIT INSPECTION DEPARTMENTS FROM CHARGING FEES FOR CERTAIN
INSPECTION CANCELLATIONS**

SECTION 1.1. G.S. 160D-1104 is amended by adding a new subsection to read:
"(d2) An inspection department shall not charge the permit holder a fee or fail an inspection of a building or structure subject to the North Carolina Residential Code, if the permit holder cancels a scheduled inspection more than one business day before the scheduled inspection."

**LIMIT DESIGN METHODOLOGY AND CONSTRUCTION STANDARDS FOR
CERTAIN MUNICIPAL STREETS**

SECTION 1.2.(a) Article 15 of Chapter 160D of the General Statutes is amended by adding a new section to read:
"§ 160D-1502. Limit street design methodology and construction standards for certain municipal streets.

Notwithstanding G.S. 136-66.4, municipalities shall not implement design methodology and construction standards for new streets and highways to be accepted by a municipality, utilizing funds that are not wholly municipal funds, that are more stringent than design methodology and construction standards utilized by the North Carolina Department of Transportation. Nothing in this section limits the authority of the North Carolina Department of Transportation to regulate street connections to a public system as authorized by law."

SECTION 1.2.(b) This section becomes effective July 1, 2025, and applies to projects initiated on or after that date.

**LIMIT DESIGN METHODOLOGY AND CONSTRUCTION STANDARDS FOR
CERTAIN PRIVATE STREETS**

SECTION 1.3.(a) Article 15 of Chapter 160D of the General Statutes is amended by adding a new section to read:
"§ 160D-1503. Limit street design methodology and construction standards for certain private streets.



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Municipalities shall not implement design methodology and construction standards for new streets designated as private, and intended to remain privately owned after construction, that are more stringent than design methodology and construction standards utilized by the North Carolina Department of Transportation. Notwithstanding any design methodology and construction standards implemented by the municipality, the municipality must accept engineered street design methodology and construction standards that do not meet minimum standards utilized by the North Carolina Department of Transportation if the engineered street design methodology and construction standards are signed and sealed by a duly licensed professional engineer, under Chapter 89C of the General Statutes, and meet vehicular traffic and fire apparatus access requirements. If engineered street design methodology and construction standards do not meet minimum standards utilized by the North Carolina Department of Transportation, the developer must include disclosures to prospective buyers as outlined in G.S. 136-102.6(f) prior to entering into any agreement or any conveyance with any prospective buyer. A local government is discharged and released from any liabilities, duties, and responsibilities imposed by this Chapter, or in common law, from any claim arising out of, or attributed to, the plan review or acceptance of signed and sealed engineered street design methodology and construction standards submitted pursuant to this section. Nothing in this section limits the authority of local governments or the North Carolina Department of Transportation to regulate private road, driveway, or street connection to a public system, or to regulate transportation and utilities as otherwise authorized by law."

SECTION 1.3.(b) This section becomes effective July 1, 2025, and applies to projects initiated on or after that date.

MUNICIPALITIES REQUIRING DEVELOPERS TO CONSTRUCT CERTAIN PEDESTRIAN FACILITIES AND STREET IMPROVEMENTS TO ACCEPT THOSE IMPROVEMENTS

SECTION 1.4.(a) Article 15 of Chapter 160D of the General Statutes is amended by adding a new section to read:

"§ 160D-1504. Municipal requirements for pedestrian facilities and street improvements within extraterritorial jurisdiction.

A municipality that requires a developer to construct a pedestrian facility or street improvement within public right-of-way located outside of a construction project boundary shall accept that pedestrian facility and street improvement into its municipal public road system for maintenance and repair upon project completion. This section applies to projects located within an extraterritorial jurisdiction of a municipality, established pursuant to Article 2 of Chapter 160D of the General Statutes. This section does not apply to public right-of-way that is under the control of the North Carolina Department of Transportation."

SECTION 1.4.(b) This section becomes effective July 1, 2025, and applies to projects initiated on or after that date.

COUNTIES REQUIRING DEVELOPERS TO CONSTRUCT CERTAIN PEDESTRIAN AND STREET IMPROVEMENTS MUST SEEK AGREEMENTS TO ACCEPT THOSE IMPROVEMENTS INTO A PUBLIC ROAD SYSTEM

SECTION 1.5.(a) Article 15 of Chapter 160D of the General Statutes is amended by adding a new section to read:

"§ 160D-1505. County requirements for pedestrian facilities and public road improvements.

A county shall not require a developer to construct a pedestrian facility or public road improvement within public right-of-way located outside of a construction project boundary unless the county obtains an agreement with either the North Carolina Department of Transportation or the municipality, as applicable, that the pedestrian facility or public road

improvement will be accepted into a public road system for maintenance and repair. This section applies to projects located within a planning and development regulation jurisdiction of a county, established pursuant to Article 2 of Chapter 160D of the General Statutes. This section does not apply to public right-of-way that is under the control of the North Carolina Department of Transportation."

SECTION 1.5.(b) This section becomes effective July 1, 2025, and applies to projects initiated on or after that date.

AMEND PUBLIC STREET DEDICATION ABANDONMENT PROCESS

SECTION 1.6. G.S. 136-96 reads as rewritten:

"§ 136-96. Road or street not used within 15 years after dedication deemed abandoned; declaration of withdrawal recorded; joint tenants or tenants in common; defunct corporations.

(a) Every strip, piece, or parcel of land that has been at any time dedicated to public use as a road, highway, street, avenue, or for any other purpose whatsoever, by a deed, grant, map, plat, or other means, and that has not been actually opened and used by the public within 15 years after its dedication is conclusively presumed to have been abandoned by the public for the purposes for which it was dedicated; and no person shall have any right or cause of action thereafter to enforce any public or private easement in the land.

(b) Notwithstanding subsection (a) of this section, no abandonment of any public or private right or easement shall be presumed until the dedicator or a person claiming under the dedicator files or causes to be recorded in the register's office of the county where the land lies a declaration withdrawing the strip, piece, or parcel of land from the public or private use to which it was dedicated.

(c) When the fee simple title is vested in tenants in common or joint tenants of any land embraced within the boundaries of a road, highway, street, avenue, or other land dedicated for any public purpose whatsoever, as described in this section, any one or more of the cotenants, on the cotenant's behalf and on behalf of the other cotenants, may execute and cause to be registered in the office of the register of deeds of the county where the land is situated the declaration of withdrawal provided for in this section. Under Chapter 46A (Partition) of the General Statutes and Article 29A (Judicial Sales) of Chapter 1 of the General Statutes, and on petition of any one or more of the cotenants, the land thereafter may be partitioned by sale only as between or among the cotenants, irrespective of who may be in actual possession of the land. In the partition proceeding, any cotenant may object to the withdrawal certificate and the court shall thereupon order the certificate cancelled of record.

(d) When any corporation has dedicated any strip, piece, or parcel of land in the manner set out in this section, and the dedicating corporation is no longer in existence, the corporation is conclusively presumed to have no further right, title, or interest in the land, regardless of the provisions of conveyances from the corporation, or those holding under the corporation, retaining title and interest in the land. The right, title, and interest in the land is conclusively presumed to be vested in those persons owning lots or parcels of land adjacent to it, subject to the provisions of this section.

(e) This section does not apply in any of the following circumstances:

(1) When the continued use of any strip of land dedicated for street or highway purposes is necessary to afford convenient ingress or egress to any lot or parcel of land sold and conveyed by the dedicator of the street or highway.

(2) When the public dedication is part of a future street shown on the street plan adopted pursuant to G.S. 136-66.2. Upon request, a city shall adopt a resolution indicating that the dedication described in the proposed declaration of withdrawal is or is not part of the street plan adopted under G.S. 136-66.2. This resolution shall be attached to the declaration of withdrawal and shall be

registered in the office of the register of deeds of the county where the land is situated.

(f) Any strip, piece, or parcel of land that was dedicated to public use as a local road, highway, street, or avenue by plat on December 22, 1978, but that has not been maintained as a local public road, highway, street, or avenue by a local governmental entity by January 1, 2025, is hereby deemed withdrawn for public use, any rights of the public therein are deemed abandoned, and no person or governmental entity shall have any right or cause of action to enforce any public interest or easement in such land pursuant to this section."

PART II. NORTH CAROLINA STATE BUILDING CODE

EXEMPT MODEL HOMES FROM FIRE PROTECTION WATER SUPPLY REQUIREMENT DURING CONSTRUCTION

SECTION 2.1.(a) Definitions. – For the purposes of this section, the following definitions apply:

- (1) Code. – The North Carolina State Building Code, and amendments to the Code, as adopted by the Councils.
- (2) Councils. – The Building Code Council and Residential Code Council.
- (3) Model home. – As defined in G.S. 160D-1501(a).
- (4) Water Supply Rules. – Section 3312.1, when required, of the North Carolina Fire Code, and Section 3313.1, where required, of the North Carolina Building Code.

SECTION 2.1.(b) Water Supply Rules. – Until the effective date of the rules to amend Water Supply Rules, the Office of the State Fire Marshal, the Councils, and State and local governments enforcing the Code shall implement Water Supply Rules as provided in subsection (c) of this section.

SECTION 2.1.(c) Implementation. – Notwithstanding Water Supply Rules, the fire code official is authorized to reduce the fire-flow requirements for an isolated model home at a subdivision project site where development of full-fire flow requirements is impractical or pending.

SECTION 2.1.(d) Additional Rulemaking Authority. – The Council shall adopt rules to amend Water Supply Rules to be consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Council pursuant to this section shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided in G.S. 150B-21.3(b2).

SECTION 2.1.(e) Additional Residential Code Council Rulemaking Authority. – The Residential Code Council shall adopt rules to amend the 2024 North Carolina State Building Code volumes specified within G.S. 143-138(a)(1) through (10) to make conforming changes to codes applicable to residential construction consistent with rules adopted by the Building Code Council as required by subsection (d) of this section. Rules adopted pursuant to this subsection are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this subsection shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided in G.S. 150B-21.3(b2).

SECTION 2.1.(f) Sunset. – This section expires when permanent rules adopted as required by subsections (d) and (e) of this section become effective.

NORTH CAROLINA STATE BUILDING CODE VOLUME REFERENCE TECHNICAL CORRECTIONS

SECTION 2.2.(a) G.S. 44A-11.1(a) reads as rewritten:

"(a) With regard to any improvements to real property to which this Article is applicable for which the costs of the undertaking are forty thousand dollars (\$40,000) or more, either at the time that the original building permit is issued or, in cases in which no building permit is required, at the time the contract for the improvements is entered into with the owner, the owner shall designate a lien agent no later than the time the owner first contracts with any person to improve the real property. Provided, however, that the owner is not required to designate a lien agent for improvements to an existing single-family residential dwelling unit as defined in G.S. 87-15.5(7) that is occupied by the owner as a residence, or for the addition of an accessory building or accessory structure as defined in the North Carolina ~~Uniform Residential Building Code~~, the use of which is incidental to that residence. The owner shall deliver written notice of designation to its designated lien agent by any method authorized in G.S. 44A-11.2(f), and shall include in its notice the street address, tax map lot and block number, reference to recorded instrument, or any other description that reasonably identifies the real property for the improvements to which the lien agent has been designated, and the owner's contact information. Designation of a lien agent pursuant to this section does not make the lien agent an agent of the owner for purposes of receiving a Claim of Lien on Real Property, a Notice of Claim of Lien upon Funds, a Notice of Subcontract, or for any purpose other than the receipt of notices to the lien agent required under G.S. 44A-11.2."

SECTION 2.2.(b) G.S. 58-45-5(5) reads as rewritten:

"(5) Insurable property. – Real property at fixed locations in the beach and coastal area, including travel trailers when tied down at a fixed location, or the tangible personal property located therein, but shall not include insurance on motor vehicles; which property is determined by the Association, after inspection and under the criteria specified in the plan of operation, to be in an insurable condition. However, any one and two family dwellings built in substantial accordance with the Federal Manufactured Home Construction and Safety Standards, any predecessor or successor federal or State construction or safety standards, and any further construction or safety standards promulgated by the association and approved by the Commissioner, or the North Carolina ~~Uniform Residential Building Code~~ and any structure or building built in substantial compliance with the North Carolina State Building Code, including the design-wind requirements, which is not otherwise rendered uninsurable by reason of use or occupancy, shall be an insurable risk within the meaning of this Article. However, none of the following factors shall be considered in determining insurable condition: neighborhood, area, location, environmental hazards beyond the control of the applicant or owner of the property. Also, any structure begun on or after January 1, 1970, not built in substantial compliance with the Federal Manufactured Home Construction and Safety Standards, any predecessor or successor federal or State construction or safety standards, and any further construction or safety standards promulgated by the association and approved by the Commissioner, or the North Carolina ~~Uniform Residential Building Code~~ or the North Carolina State Building Code, including the design-wind requirements therein, shall not be an insurable risk. The owner or applicant shall furnish with the application proof in the form of a certificate from a local building inspector, contractor, engineer or architect that the structure is built in substantial accordance with the Federal Manufactured Home Construction and Safety Standards, any predecessor or successor federal or State construction or safety standards, and any further construction or safety standards promulgated by the association and approved by the Commissioner,

or ~~the North Carolina Uniform Residential Building Code~~ or the North Carolina State Building Code; however, an individual certificate shall not be necessary where the structure is located within a political subdivision which has certified to the Association on an annual basis that it is enforcing ~~the North Carolina Uniform Residential Building Code~~ or the North Carolina State Building Code and has no plans to discontinue enforcing these codes during that year."

SECTION 2.2.(c) G.S. 87-10(b1) reads as rewritten:

"(b1) Public utilities contractors constructing house and building sewer lines as provided in sub-subdivision a. of subdivision (3) of subsection (b) of this section shall, at the junction of the public sewer line and the house or building sewer line, install as an extension of the public sewer line a cleanout at or near the property line that terminates at or above the finished grade. Public utilities contractors constructing water service lines as provided in sub-subdivision a. of subdivision (3) of subsection (b) of this section shall terminate the water service lines at a valve, box, or meter at which the facilities from the building may be connected. Public utilities contractors constructing fire service mains for connection to fire sprinkler systems shall terminate those lines at a flange, cap, plug, or valve inside the building one foot above the finished floor. All fire service mains shall comply with the NFPA standards for fire service mains as incorporated into and made applicable by ~~Volume V of the North Carolina~~ State Building Code."

SECTION 2.2.(d) G.S. 87-14(a1) reads as rewritten:

"(a1) Any person, firm, or corporation, upon making application to the building inspector or other authority of any incorporated city, town, or county in North Carolina charged with the duty of issuing building permits pursuant to G.S. 160D-1110 for any improvements for which the combined cost is to be forty thousand dollars (\$40,000) or more, other than for improvements to an existing single-family residential dwelling unit as defined in G.S. 87-15.5(7) that the owner occupies as a residence, or for the addition of an accessory building or accessory structure as defined in the North Carolina ~~Uniform Residential Building Code~~, the use of which is incidental to that residential dwelling unit, shall be required to provide to the building inspector or other authority the name, physical and mailing address, telephone number, facsimile number, and email address of the lien agent designated by the owner pursuant to G.S. 44A-11.1(a)."

SECTION 2.2.(e) G.S. 87-21(c1) reads as rewritten:

"(c1) Exemption. – The provisions of this Article shall not apply to a person who performs the on-site assembly of a factory designed drain line system for a manufactured home, as defined in G.S. 143-143.9(6), if the person (i) is a licensed manufactured home retailer, a licensed manufactured home set-up contractor, or a full-time employee of either, (ii) obtains an inspection by the local inspections department and (iii) performs the assembly according to the ~~State~~ North Carolina Plumbing Code."

SECTION 2.2.(f) G.S. 143-150 reads as rewritten:

"§ 143-150. No electricity to be furnished units not in compliance.

It is unlawful for any person to furnish electricity for use in any manufactured home without first ascertaining that the manufactured home and its electrical supply has been inspected pursuant to G.S. 143-139 by the inspection authority having jurisdiction and found to comply with the requirements of the ~~State~~ North Carolina Electrical Code. The certificate of compliance issued by the inspection jurisdiction shall be accepted as evidence of compliance."

SECTION 2.2.(g) G.S. 160D-702(c) reads as rewritten:

"(c) A zoning or other development regulation shall not do any of the following:

- (1) Set a minimum square footage of any structures subject to regulation under the North Carolina Residential Code.
- (2) Require a parking space to be larger than 9 feet wide by 20 feet long unless the parking space is designated for handicap, parallel, or diagonal parking.

- (3) Require additional fire apparatus access roads into developments of one- or two-family dwellings that are not in compliance with the required number of fire apparatus access roads into developments of one- or two-family dwellings set forth in the ~~Fire Code of the North Carolina Residential Code for One- and Two-Family Dwellings~~ North Carolina Fire Code."

SECTION 2.2.(h) G.S. 160D-1117 reads as rewritten:

"§ 160D-1117. Periodic inspections.

The inspection department may make periodic inspections, subject to the governing board's directions, for unsafe, unsanitary, or otherwise hazardous and unlawful conditions in buildings or structures within its planning and development regulation jurisdiction. In exercising this power, members of the 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. Inspections of dwellings shall follow the provisions of G.S. 160D-1207. Nothing in this section shall be construed to prohibit periodic inspections in accordance with ~~State fire prevention code~~ the North Carolina Fire Code or as otherwise required by State law."

SECTION 2.2.(i) G.S. 160D-1207(a) reads as rewritten:

"(a) Except as provided in subsection (b) of this section, the inspection department may make periodic inspections only when there is reasonable cause to believe that unsafe, unsanitary, or otherwise hazardous or unlawful conditions may exist in a residential building or structure. However, when the inspection department determines that a safety hazard exists in one of the dwelling units within a multifamily building, which in the opinion of the inspector poses an immediate threat to the occupant, the inspection department may inspect, in the absence of a specific complaint and actual knowledge of the unsafe condition, additional dwelling units in the multifamily building to determine if that same safety hazard exists. For purposes of this section, the term "reasonable cause" means any of the following: (i) the landlord or owner has a history of more than two verified violations of the housing ordinances or codes within a 12-month period, (ii) there has been a complaint that substandard conditions exist within the building or there has been a request that the building be inspected, (iii) the inspection department has actual knowledge of an unsafe condition within the building, or (iv) violations of the local ordinances or codes are visible from the outside of the property. In conducting inspections authorized under this section, the inspection department shall not discriminate between single-family and multifamily buildings or between owner-occupied and tenant-occupied buildings. In exercising this power, members of the 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. Nothing in this section shall be construed to prohibit periodic inspections in accordance with ~~State fire prevention code~~ the North Carolina Fire Code or as otherwise required by State law."

SECTION 2.2.(j) G.S. 162A-900(c) reads as rewritten:

"(c) A local government unit, as defined in G.S. 162A-201, shall not implement a scoring or preference system to allocate water or sewer service among applicants for water or sewer service for residential development that does any of the following:

- (1) Includes consideration of building design elements, as defined in G.S. 160D-702(b).
- (2) Sets a minimum square footage of any structures subject to regulation under the North Carolina Residential Code.
- (3) Requires a parking space to be larger than 9 feet wide by 20 feet long unless the parking space is designated for handicap, parallel, or diagonal parking.
- (4) Requires additional fire apparatus access roads into developments of one- or two-family dwellings that are not in compliance with the required number of fire apparatus access roads into developments of one- or two-family dwellings

set forth in the ~~Fire Code of the North Carolina Residential Code, North Carolina Fire Code.~~"

PART III. VARIOUS CONTRACTOR BOARDS

INCREASE CERTAIN PLUMBING AND HEATING BOARD CONTRACTOR BOARD EXAMINATION AND LICENSE FEES

SECTION 3.1.(a) G.S. 87-22 reads as rewritten:

"§ 87-22. License fee; expiration and renewal; reinstatement.

All persons, firms, or corporations engaged in the business of either plumbing or heating contracting, or both, shall pay an annual license fee not to exceed ~~one hundred fifty dollars (\$150.00)~~ three hundred dollars (\$300.00). The annual fee for a piping or restricted classification license shall not exceed that for a plumbing or heating license. All persons, firms, or corporations engaged in the business of fire sprinkler contracting shall pay an initial application fee not to exceed seventy-five dollars (\$75.00) and an annual license fee not to exceed three hundred dollars (\$300.00). In the event the Board refuses to license an applicant, the license fee deposited shall be returned by the Board to the applicant. All licenses shall expire on the last day of December in each year following their issuance or renewal. Persons who obtain a license by passing an examination on or after October 1 of any year may receive a license for the remainder of the year by paying one-half of the usual license fee for that classification of license. It shall be the duty of the secretary and treasurer to send by United States mail or e-mail to every licensee registered with the Board, notice to the licensee's last known address reflected on the records of the Board of the amount of fee required for renewal of license, the notice to be mailed at least one month in advance of the expiration of the license. The Board may require payment of all unpaid annual fees before reissuing a license. In the event of failure on the part of any person, firm or corporation to renew the license certificate annually and pay the required fee during the month of January in each year, the Board shall increase the license fee by ~~twenty-five dollars (\$25.00)~~ an amount not to exceed fifty dollars (\$50.00) to cover any additional expense associated with late renewal. The Board shall require reexamination upon failure of a licensee to renew license within three years after expiration. The Board may adopt regulations requiring attendance at programs of continuing education as a condition of license renewal. A licensee employed full time as a local government plumbing, heating, or mechanical inspector and holding qualifications from the Code Officials Qualifications Board may renew the license at a fee not to exceed twenty-five dollars (\$25.00)."

SECTION 3.1.(b) G.S. 87-22.1 reads as rewritten:

"§ 87-22.1. Examination fees; funds disbursed upon warrant of chairman and secretary-treasurer.

The Board shall charge a nonrefundable application and examination fee not to exceed ~~one hundred fifty dollars (\$150.00)~~ two hundred dollars (\$200.00) for each examination or any part of an examination, and the funds collected shall be disbursed upon warrant of the chairman and secretary-treasurer, to partially defray general expenses of the Board. The application and examination fee shall be retained by the Board whether or not the applicant is granted a license. Until changed by the Board pursuant to rules adopted by the Board, the fee for each examination or any part taken on a particular day shall be one hundred dollars (\$100.00)."

SECTION 3.1.(c) This section becomes effective July 1, 2025, and applies to applications for examination and licensure received by the Board on or after that date.

LIMITED EXEMPTION FOR PLUMBING AND HEATING CONTRACTOR BOARD INVESTIGATIVE RECORDS FROM PUBLIC RECORDS

SECTION 3.2. Article 2 of Chapter 87 of the General Statutes is amended by adding a new section to read:

"§ 87-22.3. Investigation records of the Board.

All records, papers, investigative files, investigative notes, reports, other investigative information, and other documents containing information in the possession of or received, gathered, or completed by the Board, its members, staff, employees, attorneys, or consultants as a result of investigations, inquiries, assessments, or interviews conducted in connection with a license application or disciplinary action initiated by the Board, shall not be considered public records within the meaning of Chapter 132 of the General Statutes. Documents described in this section are privileged, confidential, and not subject to discovery, subpoena, or other means of legal compulsion for release to any person other than the Board or its employees or consultants. If any record, paper, or other document containing information collected and compiled by or on behalf of the Board is received and admitted in evidence in any hearing before the Board, the documents shall be a public record within the meaning of Chapter 132 of the General Statutes."

INCREASE CERTAIN ELECTRICAL CONTRACTOR BOARD EXAMINATION AND LICENSE FEES

SECTION 3.3.(a) G.S. 87-44 reads as rewritten:

"§ 87-44. Fees; license term.

The Board shall collect a fee from each applicant before granting or renewing a license under the provisions of this Article; the annual license fee for the limited classification shall not exceed ~~one hundred dollars (\$100.00)~~ one hundred fifty dollars (\$150.00) for each principal and each branch place of business; the annual license fee for the intermediate classification shall not exceed ~~one hundred fifty dollars (\$150.00)~~ two hundred dollars (\$200.00) for each principal and each branch place of business; the annual license fee for the unlimited classification shall not exceed ~~two hundred dollars (\$200.00)~~ two hundred fifty dollars (\$250.00) for each principal and each branch place of business; and the annual license fee for the special restricted classifications and for the single-family detached residential dwelling license shall not exceed ~~one hundred dollars (\$100.00)~~ one hundred fifty dollars (\$150.00) for each principal and each branch place of business.

The Board shall establish a system for the renewal of licenses with varying expiration dates. However, all licenses issued by the Board shall expire one year after the date of issuance. Licenses shall be renewed by the Board, subject to G.S. 87-44.1 and G.S. 87-47, after receipt and evaluation of a renewal application from a licensee and the payment of the required fee. The application shall be upon a form provided by the Board and shall require such information as the Board may prescribe. Renewal applications and fees shall be due 30 days prior to the license expiration date.

Upon failure to renew by the expiration date established by the Board, the license shall be automatically revoked. This license may be reinstated by the Board, subject to G.S. 87-44.1 and G.S. 87-47, upon payment of the license fee, an administrative fee of twenty-five dollars (\$25.00), and all fees for the lapsed period during which the person, partnership, firm or corporation engaged in electrical contracting, and, further, upon the satisfaction of such experience requirements during the lapse as the Board may prescribe by rule.

The Board may collect fees from applicants for examinations in an amount not to exceed ~~one hundred twenty-five dollars (\$125.00)~~ two hundred dollars (\$200.00), except the fee for a specially arranged examination shall not exceed two hundred dollars (\$200.00). In addition, the Board may collect an examination review fee, not to exceed twenty-five dollars (\$25.00), from failed examinees who apply for a supervised review of their failed examinations."

SECTION 3.3.(b) This section becomes effective July 1, 2025, and applies to applications for examination and licensure received by the Board on or after that date.

LIMITED EXEMPTION FOR ELECTRICAL CONTRACTOR BOARD INVESTIGATIVE RECORDS FROM PUBLIC RECORDS

1 **SECTION 3.4.** Article 4 of Chapter 87 of the General Statutes is amended by adding
2 a new section to read:

3 **"§ 87-47.1. Investigation records of the Board.**

4 All records, papers, investigative files, investigative notes, reports, other investigative
5 information, and other documents containing information in the possession of or received,
6 gathered, or completed by the Board, its members, staff, employees, attorneys, or consultants as
7 a result of investigations, inquiries, assessments, or interviews conducted in connection with a
8 license application or disciplinary action initiated by the Board shall not be considered public
9 records within the meaning of Chapter 132 of the General Statutes. Documents described in this
10 section are privileged, confidential, and not subject to discovery, subpoena, or other means of
11 legal compulsion for release to any person other than the Board or its employees or consultants.
12 If any record, paper, or other document containing information collected and compiled by or on
13 behalf of the Board is received and admitted in evidence in any hearing before the Board, the
14 documents shall be a public record within the meaning of Chapter 132 of the General Statutes."

15
16 **EXEMPT CERTAIN CONSTRUCTION TRADES FROM GENERAL CONTRACTOR**
17 **LICENSURE REQUIREMENTS**

18 **SECTION 3.5.(a)** G.S. 87-1 reads as rewritten:

19 **"§ 87-1. "General contractor" defined; exceptions.**

20 (a) For the purpose of this Article any person or firm or corporation who for a fixed price,
21 commission, fee, or wage, undertakes to bid upon or to construct or who undertakes to
22 superintend or manage, on ~~his~~the person's own behalf or for any person, firm, or corporation that
23 is not licensed as a general contractor pursuant to this Article, the construction of any building,
24 highway, public utilities, grading or any improvement or structure where the cost of the
25 undertaking is forty thousand dollars (\$40,000) or more, or undertakes to erect a North Carolina
26 labeled manufactured modular building meeting the North Carolina State Building Code, shall
27 be deemed to be a "general contractor" engaged in the business of general contracting in the State
28 of North Carolina.

29 (b) This section shall not apply to the following:

- 30 (1) Persons, firms, or corporations furnishing or erecting industrial equipment,
31 power plan equipment, radial brick chimneys, and monuments.
- 32 (2) Any person, firm, or corporation who constructs or alters a building on land
33 owned by that person, firm, or corporation provided (i) the building is
34 intended solely for occupancy by that person and his family, firm, or
35 corporation after completion; and (ii) the person, firm, or corporation
36 complies with G.S. 87-14. If the building is not occupied solely by the person
37 and ~~his~~that person's family, firm, or corporation for at least 12 months
38 following completion, it shall be presumed that the person, firm, or
39 corporation did not intend the building solely for occupancy by that person
40 and ~~his~~that person's family, firm, or corporation.
- 41 (3) Any person engaged in the business of farming who constructs or alters a
42 building on land owned by that person and used in the business of farming,
43 when the building is intended for use by that person after completion.
- 44 (4) Any person engaged in the business of providing the following services
45 related to the construction or improvement of a building or structure:
46 a. Floor coverings.
47 b. Painting."

48 **SECTION 3.5.(b)** This section becomes effective July 1, 2025.

49
50 **REMOVE BOARD FOR GENERAL CONTRACTORS REQUIREMENT TO CREDIT**
51 **THE NORTH CAROLINA ENGINEERING FOUNDATION**

SECTION 3.6.(a) G.S. 87-7 reads as rewritten:

"§ 87-7. **Records of Board; disposition of funds.**

The secretary-treasurer shall keep a record of the proceedings of the said Board and shall receive and account for all moneys derived from the operation of this Article. ~~Any funds remaining in the hands of the secretary-treasurer to the credit of the Board after the expenses of the Board for the current year have been paid shall be paid over to the Greater University of North Carolina for the use of the School of Engineering through the North Carolina Engineering Foundation. The Board has the right, however, to retain at least ten percent (10%) of the total expense it incurs for a year's operation to meet any emergency that may arise. As an expense of the Board, said the Board is authorized to expend such funds as it deems necessary to provide retirement and disability compensation for its employees.~~"

SECTION 3.6.(b) This section becomes effective July 1, 2025.

**AMEND NORTH CAROLINA LICENSING BOARD FOR GENERAL CONTRACTORS
DISCIPLINARY ACTION AUTHORITY**

SECTION 3.7.(a) G.S. 87-11 reads as rewritten:

"§ 87-11. ~~Revocation of license; charges of fraud, negligence, incompetency, etc.;~~
Disciplinary action; hearing thereon; reissuance of certificate procedures.

(a) The Board shall have the power to refuse to issue or ~~renew or~~ renew, revoke, suspend, or restrict a certificate of license or to issue a reprimand or take other disciplinary action if a ~~general contractor licensed under this Article is found guilty of any~~ licensee, qualifier, or applicant:

- (1) Employs the use of fraud or deceit-misrepresentation in obtaining or attempting to obtain or renew a license, or license.
- (2) Commits an act of gross negligence, incompetency, or misconduct in the practice of his or her profession, or willful violation of general contracting.
- (3) Willfully violates any provision of this Article-Article, or any rules adopted by the Board.
- (4) Willfully violates any order of the Board.

(a1) The Board shall also have the power to revoke, suspend, or otherwise restrict the ability of any person to act as a qualifying party for a license to practice general contracting, as provided in G.S. 87-10(c), for any copartnership, corporation or any other organization or combination, if that person committed any act in violation of the provisions of this section and the Board may also take disciplinary action against the individual license held by that person.

(a1)(a2) ~~Any person may prefer charges of fraud, deceit, negligence, or misconduct person, including the Board on its own initiative, may submit a complaint against any general contractor licensed-licensee, qualifier, or applicant under this Article. The charges-~~ All complaints shall be in writing and sworn-affirmed to by the complainant and submitted to the Board. The Board shall not accept complaints from an anonymous complainant. The Board is authorized to investigate complaints alleging violations of this Article or any rule promulgated by the Board. The charges, complaint, unless dismissed without hearing by the Board-as unfounded or trivial, Board, shall be heard and determined by the Board in accordance with the provisions of Chapter 150B of the General Statutes.

(b) The Board shall adopt and publish guidelines, rules consistent with the provisions of this Article, ~~governing the suspension and revocation of licenses.~~ Article.

(c) ~~The Board shall establish and maintain a system whereby detailed records are kept regarding complaints against each licensee. This record shall include, for each licensee, the date and nature of each complaint, investigatory action taken by the Board, any findings by the Board, and the disposition of the matter.~~

(d) ~~The Board may reissue a license to any person, firm or corporation whose license has been revoked: Provided, five or more members of the Board vote in favor of such reissuance for reasons the Board may deem sufficient.~~

~~The Board shall immediately notify the Secretary of State of its findings in the case of the revocation of a license or of the reissuance of a revoked license.~~

~~A certificate of license to replace any certificate lost, destroyed or mutilated may be issued subject to the rules and regulations of the Board.~~

(e) The Board shall be entitled to recover its reasonable administrative costs associated with the investigation and prosecution of a complaint alleging a violation of this Article or rules or regulations of the Board up to a maximum of five thousand dollars (\$5,000) per violation for any licensee or qualifying party licensee, qualifier, or applicant found to have committed any of the following: violations enumerated in subdivisions (1) through (4) of subsection (a) of this section.

(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 3.7.(b) G.S. 87-15.3 reads as rewritten:

"§ 87-15.3. Identity of complaining party confidential.

Once a complaint has been filed with the Board against a ~~licensee~~ licensee, qualifier, or applicant or an unlicensed general contractor, the Board may, in its discretion, keep the identity of a complaining party confidential and not a public record within the meaning of Chapter 132 of the General Statutes until a time no later than the receipt of the complaint by the full Board for a disciplinary hearing or injunctive action."

SECTION 3.7.(c) This section is effective when it becomes law and applies to actions filed or commenced on or after that date.

PROHIBIT GENERAL CONTRACTOR REEXAMINATION WHILE COURT AWARDS REMAIN UNPAID

SECTION 3.8.(a) G.S. 87-13.1 reads as rewritten:

"§ 87-13.1. Board may seek injunctive relief; attorney's fee.

(a) 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.

(b) When the Board prevails in actions brought under this section, the court shall award the Board its reasonable attorney's fee ~~not to exceed five thousand dollars (\$5,000) fees~~ plus the costs associated with obtaining the relief and the investigation and prosecution of the violation.

(c) Examination applicants who have failed to pay a court award pursuant to subsection (b) of this section shall not be allowed to take any examination offered by the Board until the award has been satisfied."

SECTION 3.8.(b) This section is effective when it becomes law and applies to actions filed or commenced on or after that date.

MODERNIZE GENERAL CONTRACTOR LAWS

SECTION 3.9. Article 1 of Chapter 87 of the General Statutes reads as rewritten:

"Chapter 87.

"Contractors.

"Article 1.

"General Contractors.

...

"§ 87-2. Licensing Board; organization.

There is created the State Licensing Board for General Contractors consisting of nine members appointed by the Governor for staggered five-year terms. Five of the members shall be general contractors, one member shall be a registered engineer who practices structural engineering, and three shall be public members. Of the general contractor members, one shall have as the larger part of ~~his-the contractor's~~ business the construction of highways; one shall have as the larger part of ~~his-the contractor's~~ business the construction of public utilities; one shall have as the larger part of ~~his-the contractor's~~ business the construction of buildings; and two shall have as a larger part of ~~their-the contractor's~~ businesses the construction of residences, one of whom shall be the holder of an unlimited general contractor's license. The public members shall have no ties with the construction industry and shall represent the interests of the public at large. Members shall serve until the expiration of their respective terms and until their successors are appointed and qualified. Vacancies occurring during a term shall be filled by appointment of the Governor for the remainder of the unexpired term. The Governor may remove any member of the Board for misconduct, incompetency, or neglect of duty. No Board member shall serve more than two complete consecutive terms.

"§ 87-3. Members of Board to take oath.

Each member of the Board shall, before entering upon the discharge of the duties of ~~his-the member's~~ office, take and file with the Secretary of State an oath in writing to properly perform the duties of ~~his-the member's~~ office as a member of ~~said-the~~ Board and to uphold the Constitution of North Carolina and the Constitution of the United States.

"§ 87-4. First meeting of Board; officers; secretary-treasurer and assistants.

The ~~said~~-Board shall, within 30 days after its appointment by the Governor, meet in the City of Raleigh, at a time and place to be designated by the Governor, and organize by electing a ~~chairman, a vice-chairman, chair, a vice-chair,~~ and a secretary-treasurer, each to serve for one year. ~~Said-The~~ Board shall have power to make ~~such~~-bylaws, rules and regulations as it shall deem best, provided the same are not in conflict with the laws of North Carolina. The secretary-treasurer shall give bond in such sum as the Board shall determine, with such security as shall be approved by the Board, said bond to be conditioned for the faithful performance of the duties of ~~his-the secretary-treasurer's~~ office and for the faithful accounting of all moneys and other ~~property as shall come into his hands. property of the Board.~~ The secretary-treasurer need not be a member of the ~~Board, and the Board.~~ The Board is hereby authorized to employ a full-time ~~secretary-treasurer, secretary-treasurer~~ and ~~such~~-other assistants and make ~~such~~-other expenditures as may be necessary to the proper carrying out of the provisions of this Article. Payment of compensation and reimbursement of expenses of board members shall be governed by G.S. 93B-5.

...

"§ 87-8. Records; roster of licensed contractors; report to Governor.

The secretary-treasurer shall keep a record of the proceedings of the Board and a register of all applicants for license showing for each the date of application, name, qualifications, place of business, place of residence, and whether license was granted or refused. The books and register of ~~this-the~~ Board shall be prima facie evidence of all matters recorded therein. A roster showing the names and places of business and of residence of all licensed general contractors shall be prepared by the secretary of the Board during the month of March of each year; the roster shall be printed by the Board out of funds of the Board as provided in G.S. 87-7, with copies being made available to contractors and members of the public, at cost, upon request, or furnished without cost, as directed by the Board. On or before the last day of March of each year the Board shall submit to the Governor a report of its transactions for the preceding year, and shall file with the Secretary of State a copy of the report, together with a complete statement of the receipts and

expenditures of the Board, attested by the affidavits of the chairman and the secretary, and a copy of the roster of licensed general contractors.

"§ 87-9. Compliance with Federal Highway Act, etc.; contracts financed by federal road funds; contracts concerning water or waste water systems.

Nothing in this Article shall operate to prevent the Department of Transportation from complying with any act of Congress and any rules and regulations promulgated pursuant thereto for carrying out the provisions of the Federal Highway Act, or shall apply to any person, firm or corporation proposing to submit a bid or enter into contract for any work to be financed in whole or in part with federal aid road funds in ~~such a manner as that~~ will conflict with any act of Congress or any such rules and regulations promulgated pursuant thereto.

Neither shall anything in this Article prevent the State of North Carolina or any of its political subdivisions or their contractors from complying with any act of Congress and any rules and regulations promulgated pursuant thereto for carrying out the provisions of any federal program to assist in the planning, financing, or construction of drinking water or waste water processing, collection, and disposal systems and facilities.

...

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

...

(c) If an applicant is an individual, examination may be taken by ~~his~~ the applicant's personal appearance for examination, or by the appearance for examination of one or more of ~~his~~ the applicant's responsible managing employees. If an applicant is a copartnership, a corporation, or any other combination or organization, the examination may be taken by one or more of the responsible managing officers or members of the personnel of the applicant.

...

"§ 87-10.1. Licensing of nonresidents.

...

(d) Delinquents. – If the Secretary of Revenue determines that any nonresident individual or foreign corporation licensed by the ~~board, Board,~~ a member of any foreign limited liability company licensed by the Board, or a partner in any foreign partnership licensed by the Board, owes a delinquent income tax debt, the Secretary of Revenue may notify the Board of these nonresident individuals and foreign entities and instruct the Board not to renew their certificates of license. The Board shall not renew the certificate of license of such a nonresident individual or foreign entity identified by the Secretary of Revenue unless the Board receives a written statement from the Secretary that the debt either has been paid or is being paid pursuant to an installment agreement.

"§ 87-10.2. Continuing education.

...

(g) Continuing education requirements shall begin on January 1 of any calendar year and shall be completed by November 30 of that calendar year. The Board shall establish a 90-day grace period following November 30 of each calendar year for any qualifier or qualifying party who has failed to complete the continuing education requirement. Failure of the qualifier or qualifying party of the entity holding a building contractor, residential contractor, or unclassified contractor license classification to satisfy the annual continuing education requirement by the expiration of the grace period shall result in the license of the entity being invalidated until ~~such~~ the time that continuing education and all other licensing requirements have been met.

...

"§ 87-12. Certificate evidence of license.

The issuance of a certificate of license or limited license by this Board shall be evidence that the person, firm, or corporation named therein is entitled to all the rights and privileges of a licensed or limited licensed general contractor while said license remains unrevoked or unexpired. A licensed general contractor holding a license which qualifies ~~him~~ the contractor for

work as described in G.S. 87-10 shall be authorized to perform the said work without any additional occupational license, notwithstanding the provisions of any other occupational licensing statute. A license issued by any other occupational licensing board having jurisdiction over any work described in G.S. 87-10 shall qualify ~~such the~~ licensee to perform the work for which the license qualifies ~~him~~ without obtaining the license from the General Contractors Licensing Board. Nothing contained herein shall operate to relieve any general contractor from the necessity of compliance with other provisions of the law requiring building permits and construction in accordance with appropriate provisions of the North Carolina State Building Code.

"§ 87-13. Unauthorized practice of contracting; impersonating contractor; false certificate; giving false evidence to Board; penalties.

Any person, firm, or corporation not being duly authorized who shall contract for or bid upon the construction of any of the projects or works enumerated in G.S. 87-1, without having first complied with the provisions hereof, or who shall attempt to practice general contracting in the State, except as provided for in this Article, and any person, firm, or corporation presenting or attempting to file as ~~his~~ their own the licensed certificate of another or who shall give false or forged evidence of any kind to the Board or to any member thereof in maintaining a certificate of license or who falsely shall impersonate another or who shall use an expired or revoked certificate of license, or who falsely claims or suggests in connection with any business activities regulated by the Board that a person, firm, or corporation is licensed under this Chapter, and any architect or engineer who recommends to any project owner the award of a contract to anyone not properly licensed under this Article, shall be deemed guilty of a Class 2 misdemeanor. And the Board may, in its discretion, use its funds to defray the expense, legal or otherwise, in the prosecution of any violations of this Article. No architect or engineer shall be guilty of a violation of this section if ~~his recommendation~~ either of their recommendations to award a contract is made in reliance upon current written information received by ~~him the architect or engineer~~ from the appropriate Contractor Licensing Board of ~~this the~~ State which information erroneously indicates that the contractor being recommended for contract award is properly licensed.

...

"§ 87-15. Copy of Article included in specifications; bid not considered unless contractor licensed.

All architects and engineers preparing plans and specifications for work to be contracted in the State of North Carolina shall include in their invitations to bidders and in their specifications a copy of this Article or ~~such~~ portions thereof as are deemed necessary to convey to the invited bidder, whether ~~he the bidder~~ be a resident or nonresident of this State and whether a license has been issued to ~~him the bidder~~ or not, the information that it will be necessary for ~~him the bidder~~ to show evidence of a license before ~~his the bidder's~~ bid is considered.

"§ 87-15.1. Reciprocity of licensing.

To the extent that other states which provide for the licensing of general contractors provide for similar action, the Board in its discretion may grant licenses of the same or equivalent classification to general contractors licensed by other states, without written examination upon satisfactory proof furnished to the Board that the qualifications of ~~such~~ applicants are equal to the qualifications of holders of similar licenses in North Carolina and upon payment of the required fee.

...."

PART IV. AUTHORIZE CODE ENFORCEMENT QUALIFICATION BOARD TO CERTIFY RESIDENTIAL CHANGEOUT SPECIAL INSPECTORS AND CREATE A RESIDENTIAL CHANGEOUT ALTERNATE INSPECTION METHOD

SECTION 4.1.(a) Article 9C of Chapter 143 of the General Statutes, as amended by S.L. 2024-49 and S.L. 2024-53, reads as rewritten:

"Article 9C.

"North Carolina Code ~~Officials-Enforcement~~ Qualification Board.

"§ 143-151.8. Definitions.

(a) The following definitions apply in this Article:

(1) Board. – The North Carolina Code ~~Officials-Enforcement~~ Qualification Board.

(2) Code. – Consists of all of the following:

a. The North Carolina State Building Code adopted by the Building Code Council and Residential Code Council under G.S. 143-138.

b. Local building rules approved by the Building Code Council and Residential Code Council.

c. Any resolution adopted by a federally recognized Indian Tribe in which the Tribe adopts the North Carolina State Building Code and related local building rules.

d. The standards adopted by the State Fire Marshal under G.S. 143-143.15(a).

(3) Code enforcement. – The examination and approval of plans and specifications, the inspection of the manner of construction, workmanship, and materials for construction of buildings and structures and their components, or the enforcement of fire code regulations by any of the following, to assure compliance with the ~~North Carolina State Building Code and related local building rules:~~ Code:

a. An employee of the State or local government, except an employee of the State Department of Labor engaged in the administration and enforcement of sections of the Code that pertain to boilers and elevators.

b. An employee of a federally recognized Indian Tribe employed to perform inspections on tribal lands.

c. An individual contracting with the State, a local government, or a federally recognized Indian Tribe to perform inspections on tribal lands.

d. An individual who is employed by a company contracting with a county or a city to conduct inspections.

e. A person who is contracting with a local government to perform third-party plan review under G.S. 160D-1110.1(d).

f. A person who is contracting with a permit applicant to perform third-party plan review under G.S. 160D-1110.1(e).

g. A person who is conducting residential changeout special inspections under G.S. 160D-1106.1.

(4) Local inspection department. – The agency or agencies of local government, or any government agency of a federally recognized Indian Tribe, with authority to make inspections of buildings and to enforce the Code and other laws, ordinances, and rules enacted by the State, a local government, or a federally recognized Indian Tribe.

(5) ~~Qualified~~ Code-enforcement official. – A person ~~qualified-certified~~ under this Article to engage in the practice of Code ~~enforcement~~ enforcement who is also employed by a local inspection department.

(b) For purposes of this Article, the population of a city or county is determined according to the most current federal census, unless otherwise specified.

(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, includes any of the following:

- (1) Enforcing a Code requirement in areas or circumstances not specified in the requirement.
- (2) Refusing to accept an alternative design or construction method that has been appealed under G.S. 143-140.1 and found by the Office of the State Fire Marshal to comply with the Code under the conditions or circumstances set forth in the Office of the State Fire Marshal's decision for that appeal.
- (3) Refusing to allow an alternative construction method currently included in the ~~Building~~ Code under the conditions or circumstances set forth in the Code for that alternative method.
- (4) Enforcing a requirement that is more stringent than or otherwise exceeds the Code requirement.
- (5) Refusing to implement or adhere to an interpretation of the North Carolina State Building Code issued by the Building Code Council, Residential Code Council, or the Office of the State Fire Marshal.
- (6) Habitually failing to provide requested inspections in a timely manner.
- (7) Enforcing a ~~Code official's~~ preference in the method or manner of installation of heating ventilation and air-conditioning units, appliances, or equipment if it is not required by the ~~State Building~~ Code and is in contradiction of a manufacturer's installation instructions or specifications.

"§ 143-151.9. North Carolina Code ~~Officials~~ Enforcement Qualification Board established; members; terms; vacancies.

(a) There is hereby established the North Carolina Code ~~Officials~~ Enforcement Qualification Board in the Department of Insurance. The Board shall be composed of 20 members appointed as follows:

- (1) One member who is a city or county ~~manager~~; manager.
- (2) Two members, one of whom is an elected official representing a city over 5,000 population and one of whom is an elected official representing a city under 5,000 ~~population~~; population.
- (3) Two members, one of whom is an elected official representing a county over 40,000 population and one of whom is an elected official representing a county under 40,000 ~~population~~; population.
- (4) Two members serving as ~~building officials~~ Code-enforcement officials with the responsibility for administering building, plumbing, electrical and heating codes, one of whom serves a county and one of whom serves a ~~city~~; city.
- (5) One member who is a registered ~~architect~~; architect.
- (6) One member who is a registered ~~engineer~~; engineer.
- (7) Two members who are licensed general contractors, at least one of whom specializes in residential ~~construction~~; construction.
- (8) One member who is a licensed electrical ~~contractor~~; contractor.
- (9) One member who is a licensed plumbing or heating ~~contractor~~; contractor.
- (10) One member selected from the faculty of the North Carolina State University School of Engineering and one member selected from the faculty of the School of Engineering of the North Carolina Agricultural and Technical State ~~University~~; University.
- (11) One member selected from the faculty of the School of Government at the University of North Carolina at Chapel ~~Hill~~; Hill.
- (12) One member selected from the Community Colleges System ~~Office~~; Office.

(13) One member selected from the Division of Engineering and Building Codes in the Department of ~~Insurance~~; and, Insurance.

(14) One member who is a local government fire prevention inspector and one member who is a citizen of the State.

The various categories shall be appointed as follows: (1), (2), (3), and (14) by the Governor; (4), (5), and (6) by the General Assembly upon the recommendation of the President Pro Tempore in accordance with G.S. 120-121; (7), (8), and (9) by the General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121; (10) by the deans of the respective schools of engineering of the named universities; (11) by the Dean of the School of Government at the University of North Carolina at Chapel Hill; (12) by the President of the Community Colleges System; and (13) by the State Fire Marshal.

(b) The members shall be appointed for staggered terms and the initial appointments shall be made prior to September 1, 1977, and the appointees shall hold office until July 1 of the year in which their respective terms expire and until their successors are appointed and qualified as provided hereafter:

For the terms of one year: the members from subdivisions (1), (6) and (10) of subsection (a), and one member from subdivision (3).

For the terms of two years: the member from subdivision (11) of subsection (a), one member from subdivision (2), one member from subdivision (4), one member from subdivision (7), and one member from subdivision (14).

For the terms of three years: the members from subdivisions (8) and (12) of subsection (a), one member from subdivision (2), one member from subdivision (4), and one member from subdivision (14).

For the terms of four years: the members from subdivision (5), (9) and (13) of subsection (a), one member from subdivision (3), and one member from subdivision (7).

Thereafter, as the term of each member expires, ~~his~~ the member's successor shall be appointed for a term of four years. Notwithstanding the appointments for a term of years, each member shall serve at the will of the Governor.

Members of the Board who are public officers shall serve ex officio and shall perform their duties on the Board in addition to the duties of their office.

(c) Vacancies in the Board occurring for any reason shall be filled for the unexpired term by the person making the appointment.

"§ 143-151.10. Compensation.

Members of the Board who are State officers or employees shall receive no salary for serving on the Board, but shall be reimbursed for their expenses in accordance with G.S. 138-6. Members of the Board who are full-time salaried public officers or employees other than State officers or employees shall receive no salary for serving on the Board, but shall be reimbursed for subsistence and travel expenses in accordance with G.S. 138-5(a)(2) and (3). All other members of the Board shall receive compensation and reimbursement for expenses in accordance with G.S. 138-5(a).

"§ 143-151.11. ~~Chairman; vice-chairman; Chair; vice-chair; other officers; meetings; reports.~~

(a) The members of the Board shall select one of their members as ~~chairman~~ chair upon its creation, and shall select the ~~chairman~~ chair each July 1 thereafter.

(b) The Board shall select a ~~vice-chairman~~ vice-chair and such other officers and committee ~~chairmen~~ chair from among its members, as it deems desirable, at the first regular meeting of the Board after its creation and at the first regular meeting after July 1 of each year thereafter. Provided, nothing in this subsection shall prevent the creation or abolition of committees or offices of the Board, other than the office of ~~vice-chairman~~ vice-chair, as the need may arise at any time during the year.

(c) The Board shall hold at least four regular meetings per year upon the call of the ~~chairman-chair~~. Special meetings shall be held upon the call of the ~~chairman-chair~~ or the ~~vice-chairman-vice-chair~~, or upon the written request of four members of the Board.

(d) The activities and recommendations of the Board with respect to standards for ~~Code officials-the~~ training and certification of persons engaged in the practice of Code enforcement shall be set forth in regular and special reports made by the Board. Additionally, the Board shall present special reports and recommendations to the Governor or the General Assembly, or both, as the need may arise or as the Governor or the General Assembly may request.

"§ 143-151.12. Powers.

In addition to powers conferred upon the Board elsewhere in this Article, the Board has the power to do the following:

- (1) Adopt rules necessary to administer this Article.
- (1a) Require State agencies, local inspection departments, and local governing bodies to submit reports and information about the employment, education, and training of Code-enforcement officials.
- (2) Establish minimum standards for employment as a Code-enforcement official:
 - (i) in probationary or temporary status, and (ii) in permanent positions.
- (3) Certify persons as being qualified under the provisions of this Article to be Code-enforcement officials, including persons employed by a federally recognized Indian Tribe to perform inspections on tribal lands.
- (3a) Certify persons as being qualified under the provisions of this Article to be North Carolina State Building Code Permit Technicians.
- (3b) Certify persons as being qualified under the provisions of this Article to be residential changeout special inspectors.
- (4) Consult and cooperate with counties, municipalities, agencies of this State, other governmental agencies, and with universities, colleges, junior colleges, community colleges and other institutions concerning the development of Code-enforcement training schools and programs or courses of instruction.
- (5) Establish minimum standards and levels of education or equivalent experience for all Code-enforcement instructors, teachers or professors.
- (6) Conduct and encourage research by public and private agencies that shall be designed to improve education and training in the administration of Code enforcement.
- (7) Adopt and amend bylaws, consistent with law, for its internal management and control; appoint advisory committees as necessary; and enter into contracts and do other things as necessary and incidental to the exercise of its authority pursuant to this Article.
- (8) Make recommendations concerning any matters within its purview pursuant to this Article.
- (9) Establish within the Office of the State Fire Marshal a marketplace pool of ~~qualified-certified~~ Code-enforcement officials available for the following purposes:
 - a. When requested by the State Fire Marshal, to assist in the discharge of the State Fire Marshal's duty under G.S. 143-139 to supervise, administer, and enforce the North Carolina State Building Code. The State Fire Marshal shall have the power and authority to fix and collect reasonable fees for services performed by Code-enforcement officials under this sub-subdivision. The State Fire Marshal may also collect reimbursement, at the rate established under G.S. 138-6, for mileage costs incurred by Code-enforcement officials going to and from inspections conducted under this sub-subdivision. The State Fire

1 Marshal shall have no power or authority to fix or collect fees incurred
2 by local inspection departments under sub-subdivision b. of this
3 subdivision.

4 b. When requested by local inspection departments, to assist in Code
5 enforcement.

6 "**§ 143-151.13. Required standards and certificates—~~for Code enforcement~~**
7 **~~officials.~~certificates.**

8 (a) No person shall engage in Code enforcement under this Article unless that person
9 possesses one of the following types of certificates, currently valid, issued by the Board attesting
10 to that person's qualifications to engage in Code enforcement: (i) a standard certificate; (ii) a
11 limited certificate provided for in subsection (c) of this section; or (iii) a probationary certificate
12 provided for in subsection (d) of this section. To obtain a standard certificate, a person must pass
13 an examination, as prescribed by the Board or by a contracting party under G.S. 143-151.16(d),
14 that is based on the North Carolina State Building Code and administrative procedures required
15 for Code enforcement. The Board may issue a standard certificate of qualification to each person
16 who successfully completes the examination. The certificate authorizes that person to engage in
17 the practice of Code enforcement and to practice as a qualified Code-enforcement official in
18 North Carolina. The certificate of qualification shall bear the signatures of the ~~chairman~~chair
19 and secretary of the Board.

20 (b) The Board shall issue one or more standard certificates to each person seeking to
21 practice Code enforcement as a certified Code-enforcement official by demonstrating the
22 qualifications set forth in subsection (b1)-(b2) of this section. Standard certificates are available
23 for each of the following types of ~~qualified~~qualified for Code-enforcement officials:

- 24 (1) Building inspector.
- 25 (2) Electrical inspector.
- 26 (3) Mechanical inspector.
- 27 (4) Plumbing inspector.
- 28 (5) Fire inspector.
- 29 (6) Residential changeout inspector.

30 (b1) The Board shall issue a standard certificate to each person seeking to practice Code
31 enforcement as a residential changeout special inspector by demonstrating the qualifications set
32 forth in subsection (b2) of this section.

33 ~~(b1)(b2)~~ The holder of a standard certificate may practice Code enforcement only within
34 the inspection area and level described upon the certificate issued by the Board. A
35 ~~Code-enforcement official~~holder of a standard certificate may qualify and hold one or more
36 certificates. These certificates may be for different levels in different types of positions as defined
37 in this section and in rules adopted by the Board.

38 ~~(b2)(b3)~~ A Code-enforcement official holding a certificate indicating a specified level of
39 proficiency in a particular type of position may hold a position calling for that type of
40 qualification anywhere in the State. With respect to all types of Code-enforcement officials, those
41 with Level I, Level II, or Level III certificates shall be qualified to inspect and approve only those
42 types and sizes of buildings as specified in rules adopted by the Board.

43 (c) A Code-enforcement official holding office as of the date specified in this subsection
44 for the county or municipality by which he is employed, shall not be required to possess a
45 standard certificate as a condition of tenure or continued employment but shall be required to
46 complete such in-service training as may be prescribed by the Board. At the earliest practicable
47 date, such official shall receive from the Board a limited certificate qualifying him to engage in
48 Code enforcement at the level, in the particular type of position, and within the governmental
49 jurisdiction in which ~~he~~the Code-enforcement official is employed. The limited certificate shall
50 be valid only as an authorization for the Code-enforcement official to continue in the position ~~he~~
51 held on the applicable date and shall become invalid if ~~he~~the Code-enforcement official does not

complete in-service training within two years following the applicable date in the schedule below, according to the governmental jurisdiction's population as published in the 1970 U.S. Census:

Counties and Municipalities over 75,000 population – July 1, 1979

Counties and Municipalities between 50,001 and 75,000 – July 1, 1981

Counties and Municipalities between 25,001 and 50,000 – July 1, 1983

Counties and Municipalities 25,000 and under – July 1, 1985

All fire prevention inspectors holding office – July 1, 1989. Fire prevention inspectors have until July 1, 1993, to complete in-service training.

~~An A Code-enforcement~~ official holding a limited certificate can be promoted to a position requiring a higher level certificate only upon issuance by the Board of a standard certificate or probationary certificate appropriate for such new position.

(d) The Board may provide for the issuance of probationary or temporary certificates valid for such period (not less than one year nor more than three years) as specified by the Board's rules, or until June 30, 1983, whichever is later, to any ~~Code-enforcement official newly employed or newly promoted person seeking to practice Code enforcement~~ who lacks the qualifications prescribed by the Board as prerequisite to applying for a standard certificate under subsection (a). No ~~Code-enforcement~~ official may have a probationary or temporary certificate extended beyond the specified period by renewal or otherwise.

(d1) The Board may provide for appropriate levels of probationary or temporary certificates and may issue these certificates with such special conditions or requirements relating to the place of employment of the person holding the certificate, his supervision on a consulting or advisory basis, or other matters as the Board may deem necessary to protect the public safety and health.

(e) The Board shall, without requiring an examination, issue a standard certificate to any person who is currently certified as a county electrical inspector pursuant to G.S. 160D-1102. The certificate issued by the Board shall authorize the person to serve at the electrical inspector level approved by the State Fire Marshal in G.S. 160D-1102.

(f) The Board shall issue a standard certificate to any person who is currently licensed to practice as a(n) ~~any of the following~~:

(1) Architect, registered pursuant to Chapter ~~83A;83A.~~

(2) General contractor, licensed pursuant to Article 1 of Chapter ~~87;87.~~

(3) Plumbing or heating contractor, licensed pursuant to Article 2 of Chapter ~~87;87.~~

(4) Electrical contractor, licensed pursuant to Article 4 of Chapter ~~87; or,87.~~

(5) Professional engineer, registered pursuant to Chapter ~~89C;89C.~~

provided the person successfully completes a short course, as prescribed by the Board, relating to the North Carolina State Building Code ~~regulations~~ and Code enforcement administration. The standard certificate shall authorize the person to practice as a ~~qualified~~ Code enforcement official in a particular type of position at the level determined by the Board, based on the type of license or registration held in any profession specified above.

(g) A licensed architect or licensed professional engineer who possesses a valid certificate under subsection (f) of this section, but is not employed by the State or a local government, may utilize that certificate for the limited purpose of performing independent third-party plan review under subsections (d) and (e) of G.S. 160D-1110.1.

"§ 143-151.13A. Professional development program for officials.program.

(a) ~~As used in this section, "official" means a qualified Code enforcement official as that term is defined in G.S. 143-151.8.~~

(b) The Board may establish professional development requirements for ~~officials~~ certificate holders as a condition of the renewal or reactivation of their certificates. The purposes of these professional development requirements are to assist ~~officials~~ certificate holders in maintaining professional competence in their enforcement of the Code and to assure the health,

safety, and welfare of the citizens of North Carolina. ~~An official~~ A certificate holder subject to this section shall present evidence to the Board at each certificate renewal after initial certification, that during the 12 months before the certificate expiration date, the ~~official certificate holder~~ has completed the required number of credit hours in courses approved by the Board. Annual continuing education hour requirements shall be determined by the Board but shall not be more than six credit hours.

(c) The Board may require an individual who earns a certificate under programs established in G.S. 143-151.13 to complete professional development courses, not to exceed six hours in each technical area of certification, within one year after that individual is first employed by a ~~city or county inspection department~~ local inspection department as a Code-enforcement official.

(d) As a condition of reactivating a standard or limited certificate, the Board may require the completion of professional development courses within one year after reemployment as ~~an~~ a Code-enforcement official as follows:

(1) An individual who has been on inactive status for more than two years and who has not been continuously employed by a city or county inspection department during the period of inactive status shall complete professional development courses not to exceed six hours for each technical area in which the individual is certified.

(2) An individual who has been on inactive status for more than two years and who has been continuously employed by a city or county inspection department during the period of inactive status shall complete professional development courses not to exceed three hours for each technical area in which the individual is certified.

(3) An individual who has been on inactive status for two years or less shall complete professional development courses not to exceed two hours for each technical area in which the individual is certified.

(e) The Board may, for good cause shown, grant extensions of time to ~~officials~~ certificate holders to comply with these requirements. ~~An official~~ A certificate holder who, after obtaining an extension under this subsection, offers evidence satisfactory to the Board that the ~~official certificate holder~~ has satisfactorily completed the required professional development courses, is in compliance with this section.

(f) The Board may adopt rules to implement this section, including rules that govern:

(1) The content and subject matter of professional development courses.

(2) The criteria, standards, and procedures for the approval of courses, course sponsors, and course instructors.

(3) The methods of instruction.

(4) The computation of course credit.

(5) The ability to carry-forward course credit from one year to another.

(6) The waiver of or variance from the professional development required for hardship or other reasons.

(7) The procedures for compliance and sanctions for noncompliance.

"§ 143-151.14. Comity.

(a) The Board may, without requiring an examination, grant a standard certificate ~~as a qualified Code-enforcement official to a person seeking to engage in the practice of Code enforcement~~ for a particular type of position and level to any person who, at the time of application, is certified as a qualified Code-enforcement official holds a certificate in good standing issued by a similar board of another state, district or territory where standards are acceptable to the Board and not lower than those required by this Article for a similar type of position and level in this State.

(b) The Board may, without requiring an examination, grant a standard certificate as a ~~qualified Code-enforcement official~~ for a particular type of position and level to any person who, at the time of application, is certified as a ~~qualified Code-enforcement official in good standing~~ by, and in good standing with, the International Code Council where standards and examination are acceptable to the Board and not lower than those required by this Article for a type of position and level in this State.

(c) The certificates granted under subsections (a) and (b) of this section shall expire after three years unless within that time period the holder completes a short course, as prescribed by the Board, relating to the ~~North Carolina State Building Code regulations and Code-enforcement~~ Code enforcement administration.

(d) A fee of not more than twenty dollars (\$20.00), as determined by the Board, must be paid by any applicant to the Board for the issuance of a certificate under this section. The provisions of G.S. 143-151.16(b) relating to renewal fees and late renewals shall apply to every person granted a standard certificate in accordance with this section.

"§ 143-151.15. Return of certificate to Board; reissuance by Board.

(a) A certificate issued by the Board under this Article to a Code-enforcement official is valid as long as the person certified is employed by the State of North Carolina or any political subdivision ~~thereof~~ as a Code-enforcement official, or is employed by a federally recognized Indian Tribe to perform inspections on tribal lands as a Code-enforcement official. When the person certified leaves that employment for any reason, ~~he~~ that person shall return the certificate to the Board. If the person subsequently obtains employment as a Code-enforcement official in any governmental jurisdiction described above, the Board may reissue the ~~certificate to him.~~ certificate. The provisions of G.S. 143-151.16(b) relating to renewal fees and late renewals shall apply, if appropriate. The provisions of G.S. 143-151.16(c) shall not apply. This section does not affect the Board's powers under G.S. 143-151.17.

(b) A certificate issued by the Board under this Article for residential changeout special inspectors is valid for one year and subject to renewal pursuant to G.S. 143-151.23.

"§ 143-151.16. Certification fees; renewal of certificates; examination fees.

(a) The Board shall establish a schedule of fees to be paid by each applicant for certification as a ~~qualified~~ Code-enforcement official. Such fee shall not exceed twenty dollars (\$20.00) for each applicant.

(b) A certificate, other than a probationary certificate, as a ~~qualified~~ Code-enforcement official issued pursuant to the provisions of this Article must be renewed annually on or before the first day of July. Each application for renewal must be accompanied by a renewal fee to be determined by the Board, but not to exceed ten dollars (\$10.00). The Board is authorized to charge an extra four dollar (\$4.00) late renewal fee for renewals made after the first day of July each year.

(c) Any person who fails to renew ~~his~~ the certificate for a period of two consecutive years may be required by the Board to take and pass the same examination as unlicensed applicants before allowing such person to renew ~~his~~ the certificate.

(d) The Board may contract with persons for the development and administration of the examinations required by G.S. 143-151.13(a), for course development related to the examinations, for review of a particular applicant's examination, and for other related services. The person with whom the Board contracts may charge applicants a reasonable fee for the costs associated with the development and administration of the examinations, for course development related to the examinations, for review of the applicant's examinations, and for other related services. The fee shall be agreed to by the Board and the other contracting party. The amount of the fee under this subsection shall not exceed one hundred seventy-five dollars (\$175.00). Contracts for the development and administration of the examinations, for course development related to the examinations, and for review of examinations shall not be subject to Article 3, 3C, or 8 of Chapter 143 of the General Statutes or to Article 15 of Chapter 143B of the General

Statutes. However, the Board shall: (i) submit all proposed contracts for supplies, materials, printing, equipment, and contractual services that exceed one million dollars (\$1,000,000) authorized by this subsection to the Attorney General or the Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in all proposed contracts to be awarded by the Board under this subsection a standard clause which provides that the State Auditor and internal auditors of the Board may audit the records of the contractor during and after the term of the contract to verify accounts and data affecting fees and performance. The Board shall not award a cost plus percentage of cost agreement or contract for any purpose.

"§ 143-151.17. Grounds for disciplinary actions; investigation; administrative procedures.

(a) The Board has the power to suspend, revoke, demote to a lower level, or refuse to grant a certificate issued under this Article to any person to whom any of the following applies:

- (1) Has been convicted of a felony against this State or the United States, or convicted of a felony in another state that would also be a felony if it had been committed in this State.
- (2) Has obtained certification through fraud, deceit, or perjury.
- (3) Has knowingly aided or abetted any person practicing contrary to the provisions of this Article or the North Carolina State Building Code or any building codes adopted by a federally recognized Indian Tribe.
- (4) Has defrauded the public or attempted to do so.
- (5) Has affixed ~~his or her~~ a signature to a report of inspection or other instrument of service if no inspection has been ~~made by him or her or under his or her immediate and responsible direction.~~ made.
- (6) Has been guilty of willful misconduct, gross negligence, or gross incompetence.

(b) The Board may investigate the actions of any ~~qualified Code enforcement official~~ certificate holder or applicant upon the verified complaint in writing of any person alleging a violation of subsection (a) of this section. The Board may suspend, revoke, or demote to a lower level any certificate of any ~~qualified Code enforcement official~~ certificate holder and refuse to grant a certificate to any applicant, whom it finds to have been guilty of one or more of the actions set out in subsection (a) of this section as grounds for disciplinary action.

(c) A denial, suspension, revocation, or demotion to a lower level of a certificate issued under this Article shall be made in accordance with Chapter 150B of the General Statutes.

(d) The Board may deny an application for a certificate for any of the grounds that are described in subsection (a) of this section. Within 30 days after receipt of a notification that an application for a certificate has been denied, the applicant may make a written request for a review by a committee designated by the ~~chairman~~ chair of the Board to determine the reasonableness of the Board's action. The review shall be completed without undue delay, and the applicant shall be notified promptly in writing as to the outcome of the review. Within 30 days after service of the notification as to the outcome, the applicant may make a written request for a hearing under Article 3A of Chapter 150B of the General Statutes if the applicant disagrees with the outcome.

(e) ~~This section applies to Code enforcement officials and applicants who are employed or seek to be employed by a federally recognized Indian Tribe to perform inspections on tribal lands.~~

"§ 143-151.18. Violations; penalty; injunction.

~~On and after July 1, 1979, it~~ It shall be unlawful for any person to ~~represent himself~~ misrepresent themselves as a ~~qualified Code enforcement official who does not hold~~ holder of a currently valid certificate ~~of qualification~~ issued by the Board. Further, it shall be unlawful for any person to practice Code enforcement except as allowed by any currently valid certificate issued to that person by the Board. Any person violating any of the provisions of this Article shall be guilty of a Class 1 misdemeanor. The Board is authorized to apply to any judge of the

superior court for an injunction in order to prevent any violation or threatened violation of the provisions of this Article.

"§ 143-151.19. Administration.

(a) The Division of Engineering and Building Codes in the Department of Insurance shall provide clerical and other staff services required by the Board, and shall administer and enforce all provisions of this Article and all rules promulgated pursuant to this Article, subject to the direction of the Board, except as delegated by this Article to local units of government, other State agencies, corporations, or individuals.

(b) The Board shall make copies of this Article and the rules adopted under this Article available to the public at a price determined by the Board.

(c) The Board shall keep current a record of the names and addresses of ~~all-qualified Code-enforcement-officials-certificate holders~~ and additional personal data as the Board deems necessary. The Board annually shall publish a list of all ~~currently-certified Code-enforcement officials-certificate holders~~.

(d) Each certificate issued by the Board shall contain such identifying information as the Board requires.

(e) The Board shall issue a duplicate certificate to ~~practice as a qualified Code-enforcement-official~~ a certificate holder in place of one which has been lost, destroyed, or mutilated upon proper application and payment of a fee to be determined by the Board.

"§ 143-151.20. Donations and appropriations.

(a) In addition to appropriations made by the General Assembly, the Board may accept for any of its purposes and functions under this Article any and all donations, both real and personal, and grants of money from any governmental unit or public agency, or from any institution, person, firm or corporation, and may receive, utilize, disburse and transfer the same, subject to the approval of the Council of State. Any arrangements pursuant to this section shall be detailed in the next regular report of the Board. Such report shall include the identity of the donor, the nature of the transaction, and the conditions, if any. Any moneys received by the Board pursuant to this section shall be deposited in the State treasury to the account of the Board.

(b) The Board may provide grants as a reimbursement for actual expenses incurred by the State or political subdivision thereof for the provisions of training programs of officials from other jurisdictions within the State. The Board, by rules, shall provide for the administration of the grant program authorized herein. In promulgating such rules, the Board shall promote the most efficient and economical program of Code-enforcement training, including the maximum utilization of existing facilities and programs for the purpose of avoiding duplication.

"§ 143-151.21. Disposition of fees.

Fees collected by the State Fire Marshal under this Article shall be credited to the Insurance Regulatory Fund created under G.S. 58-6-25.

"§ 143-151.22. North Carolina State Building Code Permit Technician; certification program; professional development requirements; renewal of certificates; fees; exam waivers.

(a) State Building Code Permit Technician Certification Program. – The Board shall develop a North Carolina State Building Code Permit Technician certification program and North Carolina State Building Code Permit Technician Certificate. To obtain a certificate, a person must pass an examination, as prescribed by the Board, that is based on the North Carolina State Building Code, administrative procedures applicable to permit administration, and relevant topics in support of Code-enforcement officials and local inspection departments. The Board may issue a certificate to each person who successfully completes the examination. The certificate shall bear the signatures of the ~~chairman~~ chair and secretary of the Board.

(b) Professional Development Standards for Renewal. – The Board may establish professional development requirements for North Carolina State Building Code Permit Technicians as a condition of the renewal of their certificates. The purpose of these professional

development requirements is to assist in maintaining professional competence. A certificate holder subject to this section shall present evidence to the Board at each certificate renewal after initial certification that during the 12 months before the certificate expiration date, the certificate holder has completed the required number of credit hours in courses approved by the Board. Annual continuing education hour requirements shall be determined by the Board. The Board may, for good cause shown, grant extensions of time to certificate holders to comply with these requirements.

(c) **Renewal Application.** – A North Carolina State Building Code Permit Technician Certificate must be renewed annually on or before the first day of July.

(d) **Fee Authorization.** – The Board shall establish a schedule of fees to be paid by each applicant for initial certification and renewal certification as a North Carolina State Building Code Permit Technician. A fee of not more than twenty dollars (\$20.00), as determined by the Board, must be paid by any applicant to the Board for the issuance of an initial certification. A fee of not more than ten dollars (\$10.00), as determined by the Board, must be paid by any applicant to the Board for the issuance of a renewal certification. The Board is authorized to charge an extra four dollar (\$4.00) late renewal fee for renewal applications made after the first day of July each year.

(e) ~~Qualified~~ **Code-Enforcement Official Exam Waiver.** – The Board shall, without requiring an examination, grant a certificate pursuant to this section to any person who, at the time of application, possesses a Building Inspector standard certificate issued by the Board and who is in good standing. The Board may assess a fee for a certificate issued pursuant to this subsection, to the extent authorized by subsection (d) of this section for an initial certification.

(f) **Comity.** – The Board may, without requiring an examination, grant a certificate pursuant to this section to any person who, at the time of application, is similarly certified as a permit technician in good standing by a similar board of another jurisdiction or certified as a permit technician in good standing by the International Code Council, where standards are acceptable to the Board. The certificate granted under this subsection shall expire after one year unless, within that time period, the holder completes a short course, as prescribed by the Board, based on the North Carolina State Building Code and administrative procedures described in subsection (a) of this section. The Board may assess a fee for a certificate issued pursuant to this subsection, to the extent authorized by subsection (d) of this section for an initial certification.

"§ 143-151.23. Disasters and emergencies; temporary certificates.

(a) When a state of emergency, as defined in G.S. 166A-19.3, has been declared by the Governor due to a natural disaster such as a hurricane, tornado, or flood, or due to a pending disaster, the Board may issue temporary standard or limited certificates to retired ~~qualified~~ Code-enforcement officials to conduct Code enforcement in the emergency area, as defined in G.S. 166A-19.3, for the duration of the state of emergency.

(b) A temporary standard or limited certificate issued under this section shall expire at the termination of the state of emergency or 12 months, whichever is earlier. If after 12 months the state of emergency has not expired, the Board may renew the temporary standard or limited certificate.

(c) A ~~qualified~~ Code-enforcement official who has been on inactive status and is issued a temporary standard or limited certificate under this section shall not be subject to the continuing education requirements established pursuant to G.S. 143-151.13A, unless the individual has been inactive or retired for over two years and not continuously employed by a city or county inspection department.

"§ 143-151.24. Residential changeout special inspectors; certification program; professional development requirements; renewal of certificates; fees; exam waivers.

(a) Residential Changeout Special Inspector Certification Program. – The Board shall develop a Residential Changeout Special Inspector Certification Program and residential

1 changeout special inspector certificate. To obtain a certificate, a person must pass an
2 examination, as prescribed by the Board, that is based on the North Carolina State Building Code,
3 administrative procedures applicable to permit administration, and relevant topics related to the
4 inspection of residential changeout work as described in G.S. 160D-1106.1. The Board may issue
5 a certificate to each person who successfully applies and completes the examination. The
6 certificate shall bear the signatures of the chair and secretary of the Board.

7 (b) Professional Development Standards for Renewal. – The Board may establish
8 professional development requirements for residential changeout special inspector certificate as
9 a condition of the renewal of their certificates. The purpose of these professional development
10 requirements is to assist in maintaining professional competence. A certificate holder subject to
11 this section shall present evidence to the Board at each certificate renewal after initial certification
12 that during the 12 months before the certificate expiration date, the certificate holder has
13 completed the required number of credit hours in courses approved by the Board. Annual
14 continuing education hour requirements shall be determined by the Board. The Board may, for
15 good cause shown, grant extensions of time to certificate holders to comply with these
16 requirements.

17 (c) Renewal Application. – A residential changeout special inspector certificate must be
18 renewed annually on or before the first day of July.

19 (d) Fee Authorization. – The Board shall establish a schedule of fees to be paid by each
20 applicant for initial certification and renewal certification as a residential changeout special
21 inspector. A fee of not more than twenty dollars (\$20.00), as determined by the Board, must be
22 paid by any applicant to the Board for the issuance of an initial certification. A fee of not more
23 than ten dollars (\$10.00), as determined by the Board, must be paid by any applicant to the Board
24 for the issuance of a renewal certification. The Board is authorized to charge an extra four dollar
25 (\$4.00) late renewal fee for renewal applications made after the first day of July each year.

26 (e) Code-Enforcement Official Exam Waiver. – The Board shall, without requiring an
27 examination, grant a certificate pursuant to this section to any person who, at the time of
28 application, possesses a Building Inspector standard certificate issued by the Board and who is
29 in good standing. The Board may assess a fee for a certificate issued pursuant to this subsection
30 to the extent authorized by subsection (d) of this section for an initial certification.

31 (f) Certification of Licensed Contractors. – The Board shall issue a standard certificate
32 to any person who is currently licensed to practice as a plumbing or heating contractor, licensed
33 pursuant to Article 2 of Chapter 87 of the General Statutes, provided the person successfully
34 completes a short course, as prescribed by the Board, relating to the North Carolina State
35 Building Code and Code enforcement administration.

36 (g) Comity. – The Board may, without requiring an examination, grant a certificate
37 pursuant to this section to any person who, at the time of application, is a similarly certified
38 Building Inspector in good standing by a similar board of another jurisdiction where standards
39 are acceptable to the Board. The certificate granted under this subsection shall expire after one
40 year unless, within that time period, the holder completes a short course, as prescribed by the
41 Board, based on the North Carolina State Building Code and administrative procedures described
42 in subsection (a) of this section. The Board may assess a fee for a certificate issued pursuant to
43 this subsection, to the extent authorized by subsection (d) of this section for an initial
44 certification."

45 **SECTION 4.1.(b)** Article 11 of Chapter 160D of the General Statutes is amended
46 by adding a new section to read:

47 **"§ 160D-1106.1. Alternate inspection method by residential changeout special inspectors.**

48 (a) Notwithstanding the building inspection requirements of this Article, a local
49 government shall accept and approve, without further responsibility to inspect, a residential
50 changeout inspected by a residential changeout special inspector if all of the following conditions
51 are met:

- (1) The residential changeout is completed by a contractor licensed pursuant to Article 2 of Chapter 87 of the General Statutes, who is different than the residential changeout special inspector charged with inspection of that residential changeout.
- (2) The new appliance, and related connections, subject to the residential changeout meets all of the following conditions:
- a. The new appliance requires no alterations to the existing ducting, fuel type, or piping systems other than what is required for transitioning to the new appliance.
 - b. Any venting associated with the new appliance shall be allowed to be installed, replaced, and repaired where such venting does not pass through a rated assembly.
 - c. Any new gas appliance shall be of the same category as the appliance being replaced, if applicable.
 - d. The new appliance does not require relocation, excluding minor adjustments in the same general vicinity.
 - e. The installation of the new appliance does not require the relocation or addition to the existing electrical system, except the replacement of the appliance's branch circuit overcurrent device, or the replacement of the appliance's branch circuit where such circuit does not pass through a rated assembly shall be allowed.
 - f. The electrical branch circuit serving the appliance is single phase.
- (3) Field inspection of the installation is performed by a residential changeout special inspector, certified pursuant to Article 9C of Chapter 143 of the General Statutes.
- (4) The residential changeout special inspector provides the local government with a signed written certification that work outlined within subdivisions (1) and (2) of this subsection have been met and is compliant with the North Carolina State Building Code. The certification required under this subdivision shall be provided by electronic or physical delivery, and its receipt shall be promptly acknowledged by the local government through reciprocal means. The certification shall be made on forms created by the Office of the State Fire Marshal, in consultation with the North Carolina Residential Code Council, which shall include the following information:
- a. Permit number.
 - b. Date of inspection.
 - c. Type of inspection.
 - d. Contractor's name and license number.
 - e. Street address of the job location.
 - f. Name, address, telephone number, and certificate number of the person responsible for the residential changeout special inspection.
- (b) In accepting certifications of inspections under subsection (a) of this section, a local government shall not require information other than what is required within the certification required under subsection (a) of this section.
- (c) Upon the acceptance and approval of a signed certification by the local government as required under subsection (a) of this section, notwithstanding the issuance of a certificate of compliance, the local government, its inspection department, and its inspectors are discharged and released from any liabilities, duties, and responsibilities imposed by this Article with respect to or in common law from any claim arising out of or attributed to the residential changeout inspection for which the signed written certification was submitted.

(d) For the purposes of this section, the phrase "residential changeout" means work requiring a building permit for the purpose of heating and air conditioning appliance and water heater replacement in dwellings subject to the North Carolina Residential Code, and individual residential units of condominiums and apartments provided the individual appliance serves only that residential dwelling unit."

SECTION 4.1.(c) By July 1, 2025, the Office of the State Fire Marshal shall develop an internet-based examination and short course as described in G.S. 143-151.24, as enacted by subsection (a) of this section, and make it available on the Office's website for the purpose of certifying residential changeout special inspectors.

SECTION 4.1.(d) By July 1, 2025, the Office of the State Fire Marshal shall develop the form required under G.S. 160D-1106.1, as enacted by subsection (b) of this section, and make it available on the Office's website.

PART V. ESTABLISH RIGHT TO REPAIR CONSTRUCTION DEFECTS WITHIN DWELLINGS SUBJECT TO THE NORTH CAROLINA RESIDENTIAL CODE

SECTION 5.1.(a) Chapter 87 of the General Statutes is amended by adding a new Article to read:

"Article 9.

"Right to Repair Construction Defects Act.

"§ 87-150. Short title.

This Article shall be known and may be cited as the "Right to Repair Construction Defects Act."

"§ 87-151. Definitions.

The following definitions apply in this Article:

- (1) Action. – Any civil lawsuit, judicial action, or alternative dispute resolution proceeding for damages or other relief asserting a claim for injury or loss to a dwelling caused by an alleged construction defect arising out of or related to the construction, repairing, or remodeling of the dwelling.
- (2) Claimant. – An owner who asserts a claim against a general contractor concerning a construction defect in the construction, repairing, or remodeling of a dwelling.
- (3) Construction defect. – A defect in or a deficiency arising out of the design or construction of improvements, including the use of defective material, products, or components.
- (4) Dwelling. – A single-family dwelling or other dwelling type subject to the North Carolina Residential Code, including the systems, components, and improvements serving that dwelling.
- (5) General contractor. – As defined in G.S. 87-1.
- (6) Serve or service. – Personal service or delivery by certified mail to the last known address of the addressee.

"§ 87-152. Notice and opportunity to repair.

(a) Notice of Claim. – Before commencing an action against a general contractor regarding a construction defect, the claimant must, no less than 90 days before filing the action, serve a written notice of claim on the general contractor. The notice of claim must contain the following, at a minimum:

- (1) A statement that the claimant asserts a construction defect.
- (2) A description of the claim or claims in reasonable detail sufficient to determine the general nature of the construction defect.
- (3) A description of any effects of the construction defect, if known.

(b) Request for Clarification. – If a notice of claim is not sufficiently stated, the general contractor may advise the claimant within 15 days of service of the notice of claim and request clarification.

(c) General Contractor's Response to Notice of Claim. – The general contractor has 30 days from service of the notice of claim to inspect, offer to remedy, offer to settle with the claimant, or deny a claim, in whole or in part, regarding the construction defect. The claimant shall receive written notice of the general contractor's election under this section within 30 days. Failure to respond within 30 days is deemed a denial of the claim.

(d) Response to General Contractor's Offer. – The claimant shall accept a general contractor's offer, if any, within 10 days of receipt of the offer pursuant to subsection (c) of this section. Failure to respond within 10 days is deemed a denial of the general contractor's offer.

(e) Reasonable Access to Dwelling. – If requested, the claimant shall give the general contractor reasonable access to the dwelling at a mutually agreeable time to inspect a construction defect and, if agreed to by the parties, repair a construction defect.

(f) Civil Remedy. – Nothing in this Article shall prevent a claimant from proceeding with a civil action or other remedy provided by law if the parties cannot reach a resolution pursuant to this Article.

(g) Claimant Repairs. – Nothing in this Article shall be construed to prohibit a claimant from making immediate repairs to an alleged construction defect subject to this Article to protect the health and safety of a dwelling's occupants or to mitigate further damage to the dwelling.

(h) Admissibility. – Evidence of offers to settle, repair, or remedy pursuant to this Article is not admissible to prove liability for or invalidity of the claim or its amount.

"§ 87-153. Filing a complaint with the Board not prohibited.

Nothing in this Article shall prevent a claimant from filing a complaint with the Board in accordance with G.S. 87-11(a1).

"§ 87-154. Stay of action.

If a claimant files an action in court before first complying with the requirements of this Article, on motion of a party to the action, the court shall stay the action for 120 days and such additional time that is necessary for compliance with the requirements of this Article."

SECTION 5.1.(b) This section becomes effective October 1, 2025, and applies to actions commenced on or after that date.

PART VI. MISCELLANEOUS

MODIFY PUBLIC POOL LAWS TO CLARIFY PRIVATE POOL EXCLUSION AND TO EXEMPT PUBLIC COLD BATHS

SECTION 6.1.(a) G.S. 130A-280, as amended by Section 4.51(a) of S.L. 2024-49, reads as rewritten:

"§ 130A-280. ~~Scope~~ Scope and definitions.

(a) ~~This Article Part~~ provides for the regulation of public swimming pools in the State as they may affect the public health and safety. ~~As used in this Article, the term "public swimming pool" means any structure, chamber, or tank containing an artificial body of water used by the public for swimming, diving, wading, recreation, or therapy, together with buildings, appurtenances, and equipment used in connection with the body of water, regardless of whether a fee is charged for its use. The term includes municipal, school, hotel, motel, apartment, boarding house, athletic club, or other membership facility pools and spas, spas operating for display at temporary events, and artificial swimming lagoons. As used in this Article, an "artificial swimming lagoon" means any body of water used for recreational purposes with more than 20,000 square feet of surface area, an artificial liner, and a method of disinfectant that results in a disinfectant residual in the swimming zone that is protective of the public health. This Article Part does not apply to any of the following:~~

- (1) A private pool serving a single family dwelling and used only by the residents of the dwelling and their guests regardless of whether their guests gain use of the private pool through a sharing economy platform or pay a fee for its use. In all cases in which a fee is exchanged for access to a private pool serving a single-family dwelling that is used only by the residents of the dwelling and their guests, the private pool shall be maintained in good and safe working order.
- (2) ~~A private pool serving a single family dwelling meeting the minimum requirements of this subdivision which is offered to, and used by, individuals on a temporary basis utilizing a sharing economy platform. For the purposes of this subdivision, a sharing economy platform means an online platform used to facilitate peer-to-peer transactions to acquire, provide, or share access to goods and services. For the purposes of this subdivision, a pool must meet all of the following minimum requirements:~~
- ~~a. Pools must have proper fencing and barriers to prevent unsupervised access, especially by children. The fence should be at least 4 feet high with a self-latching gate.~~
 - ~~b. Pools must have clear and conspicuous signage posted around the pool area specifying pool rules, depth markers, and any potential hazards.~~
 - ~~c. Pools must be equipped with basic lifesaving equipment, including life rings and reaching poles.~~
 - ~~d. Pool decks and surrounding areas must have non-slip surfaces.~~
 - ~~e. Pools must have properly fitted covers for all submerged suction outlets.~~
 - ~~f. Pools must be well maintained with proper chemical balance and cleanliness to ensure safe and healthy swimming conditions.~~
- (2a) A public cold bath that meets all of the following requirements:
- a. Is a tub or tank that is used by the general public, one bather at a time, regardless of whether a fee is charged for its use.
 - b. Contains chilled water that is (i) maintained at a temperature lower than 60 degrees Fahrenheit, (ii) no more than 180 gallons in volume, and (iii) at a depth that allows the bather to maintain the bather's head above the water while in a seated position.
 - c. Continuously filters and sanitizes the chilled water.
- (3) Therapeutic pools used in physical therapy programs operated by medical facilities licensed by the Department or operated by a licensed physical therapist, nor to therapeutic chambers drained, cleaned, and refilled after each individual use.
- (b) The following definitions apply in this Part:
- (1) Artificial swimming lagoon. – Any body of water used for recreational purposes with more than 20,000 square feet of surface area, an artificial liner, and a method of disinfectant that results in a disinfectant residual in the swimming zone that is protective of the public health.
 - (2) Public swimming pool. – Any structure, chamber, or tank containing an artificial body of water used by the public for swimming, diving, wading, recreation, or therapy, together with buildings, appurtenances, and equipment used in connection with the body of water, regardless of whether a fee is charged for its use. The term includes municipal, school, hotel, motel, apartment, boarding house, athletic club, or other membership facility pools and spas, spas operating for display at temporary events, and artificial swimming lagoons.

(3) Sharing economy platform. – An online platform used to facilitate peer-to-peer transactions to acquire, provide, or share access to goods and services."

SECTION 6.1.(b) This section becomes effective July 1, 2025.

PART VII. SEVERABILITY CLAUSE AND EFFECTIVE DATE

SEVERABILITY CLAUSE

SECTION 7.1. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part declared to be unconstitutional or invalid.

EFFECTIVE DATE

SECTION 7.2. Except as otherwise provided, this act is effective when it becomes law.