

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 963

Short Title: Code Enforcement Pathways & Procedures Act. (Public)

Sponsors: Representative Adams.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Appropriations, if favorable, Rules, Calendar, and Operations of the House

April 14, 2025

A BILL TO BE ENTITLED
AN ACT TO AMEND THE GENERAL STATUTES RELATED TO BUILDING CODE
ENFORCEMENT; TO ESTABLISH A BUILDING INSPECTOR APPRENTICESHIP
PROGRAM AND A PROGRAM FOR GENERAL CONTRACTORS TO BECOME
CODE-ENFORCEMENT OFFICIALS; TO REQUIRE JUST CAUSE AND DUE
PROCESS PROTECTIONS FOR DISCIPLINARY ACTIONS AGAINST COUNTY AND
MUNICIPAL BUILDING INSPECTORS; TO PROVIDE FINALITY FOR APPROVED
STAGES OF BUILDING INSPECTIONS UNDER SPECIFIED CONDITIONS; TO
ESTABLISH THE DISASTER BUILDING INSPECTION RELIEF FUND; AND TO
PRESERVE CERTAIN CODE OFFICIALS' AUTHORITY TO INSPECT CERTAIN
NONRESIDENTIAL BUILDINGS.

The General Assembly of North Carolina enacts:

ESTABLISH BUILDING INSPECTOR APPRENTICESHIP PROGRAM

SECTION 1.(a) Article 9C of Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-151.22. Building Inspector Apprenticeship and Certification Advancement.

(a) The Board, in consultation with the Office of State Fire Marshal, shall develop and implement a Building Inspector Apprenticeship Program. This program is intended to provide a structured pathway into the Code-enforcement profession and shall align with the types and levels of certification established by the Board under G.S. 143-151.12. The program shall allow local government inspection departments to employ apprentice Code-enforcement officials who do not yet meet the requirements of G.S. 143-151.13 for standard certification. An apprentice Code-enforcement official may perform inspections only under the direct supervision, as defined by Board rule, of a fully certified Code-enforcement official holding a standard certificate of the appropriate type and level. The Board shall adopt rules establishing the terms of the apprenticeship, including, but not limited to, minimum training curriculum, precise requirements for direct supervision and supervision ratios, and a maximum duration of one year, which may be extended by the Board for up to one additional year in accordance with Board rules, for an individual to serve as an apprentice.

(b) The Board may issue an apprenticeship certificate to an individual employed as an apprentice Code-enforcement official, upon application by the employing jurisdiction. The apprenticeship certificate shall be valid only for the apprentice's specific scope of assignments and jurisdiction, as determined by the Board, and shall be conditioned on the individual's active participation in required training and satisfactory progress in the program. Notwithstanding



G.S. 143-151.13(d), an apprenticeship certificate may be renewed or reissued in accordance with Board rules if the individual remains employed in an active training capacity under the program, subject to the maximum duration established under subsection (a) of this section.

(c) The Building Inspector Apprenticeship Program shall include a structured combination of on-the-job training and related classroom or online education. The Board, in consultation with the Office of State Fire Marshal, shall approve a curriculum of core Code classes necessary for competency at the relevant certification level. The Board and the Office of State Fire Marshal shall coordinate and facilitate access to such classes, including leveraging resources and course offerings of the North Carolina Community College System, with the goal of providing required core curriculum classes at no cost or reduced cost to apprentices or their employing jurisdictions, subject to the availability of funds. An apprentice who successfully completes the approved curriculum and meets any experience requirements set by the Board shall be eligible to sit for the appropriate State examination for standard certification required by G.S. 143-151.13(a) or qualify for certification under G.S. 143-151.13(c1). The Board may also authorize partial credit toward experience requirements for higher level certifications based on hours successfully completed in the apprenticeship program.

(d) The Office of State Fire Marshal is authorized to provide financial assistance to encourage participation in the apprenticeship program. Subject to the availability of funds appropriated for this purpose, the Office of State Fire Marshal may award grants to local governments to support a portion of salary and training expenses for apprentice Code-enforcement officials. Training expenses eligible for grant funding may include, but are not limited to, tuition or fees for required courses not otherwise provided at no cost pursuant to subsection (c) of this section, costs for course materials, and travel expenses related to required training. The Office of State Fire Marshal shall establish guidelines for grant applications, with priority given to jurisdictions demonstrating significant inspector staffing needs.

(e) The Board shall review its rules and criteria for issuance of standard certificates at levels II and III and shall, where feasible, eliminate or modify any requirements that unnecessarily impede progression of Code-enforcement officials to higher levels. In its review, the Board shall consider all of the following:

- (1) Reducing minimum years of experience required between levels.
- (2) Accepting alternate forms of relevant experience, including successful completion of the apprenticeship program established under this section, documented military service experience in construction trades or inspection, or verified private-sector inspection experience acceptable to the Board.
- (3) Recognition of nationally recognized certifications or credentials from other states that meet or exceed North Carolina standards.

No later than July 1, 2026, the Board shall report to the Joint Legislative Oversight Committee on General Government and the Fiscal Research Division regarding its findings and any recommended changes to statutes or rules needed to further facilitate the career development of Code-enforcement officials.

(f) Nothing in this section shall compromise the integrity of State Building Code enforcement. Apprentice Code-enforcement officials shall not independently approve or sign off on Code compliance. All inspections performed by an apprentice must be reviewed and approved by the supervising certified inspector holding a standard certificate, who shall bear ultimate responsibility for the Code-enforcement decision."

SECTION 1.(b) G.S. 143-151.13 reads as rewritten:

"§ 143-151.13. Required standards and certificates for Code-enforcement officials.

(a) No person shall engage in Code enforcement under this Article unless that person possesses one of the following types of certificates, currently valid, issued by the Board attesting to that person's qualifications to engage in Code enforcement: (i) a standard certificate; (ii) a limited certificate provided for in subsection (c) of this section; or (iii) a probationary certificate

provided for in subsection (d) of this ~~section~~ section; or (iv) an apprenticeship certificate issued pursuant to G.S. 143-151.22, authorizing inspections only under direct supervision as defined by Board rule and the provisions of that section. To obtain a standard certificate, a person must pass an examination, as prescribed by the Board or by a contracting party under G.S. 143-151.16(d), that is based on the North Carolina State Building Code and administrative procedures required for Code enforcement. The Board may issue a standard certificate of qualification to each person who successfully completes the examination. The certificate authorizes that person to engage in Code enforcement and to practice as a qualified Code-enforcement official in North Carolina. The certificate of qualification shall bear the signatures of the chairman and secretary of the Board.

...

(c1) Notwithstanding subsection (a) of this section, the Board may grant a standard certificate to an individual who successfully completes the Building Inspector Apprenticeship Program established pursuant to G.S. 143-151.22, in lieu of the standard examination requirement of subsection (a). Issuance of a certificate under this subsection is permissible only if the individual successfully completes a Board-approved competency evaluation designed to verify practical and theoretical knowledge equivalent to that assessed by the standard examination for the relevant certificate level, as defined by Board rule. The Board shall establish rules governing the development, administration, and standards for passing such competency evaluation.

...."

SECTION 1.(c) Appropriation. – There is appropriated from the General Fund to the Office of State Fire Marshal in the Department of Insurance the sum of seven hundred fifty thousand dollars (\$750,000) nonrecurring for the 2025-2026 fiscal year to establish and administer the Building Inspector Apprenticeship Program created by subsection (a) of this section. These funds shall be used for program administration, coordination and provision of training resources as described in G.S. 143-151.22(c), and the provision of local grant funds as described in G.S. 143-151.22(d). The Department of Insurance shall include an evaluation of the program's effectiveness, participation rates, impact on inspector availability, and recommendations regarding future funding needs in its annual budget request submitted to the Office of State Budget and Management and in any relevant reports to the Joint Legislative Oversight Committee on General Government and the Fiscal Research Division.

SECTION 1.(d) Rulemaking. – The Code Officials Qualification Board, the Office of State Fire Marshal, and the Department of Insurance may adopt rules necessary to implement the provisions of this section.

SECTION 1.(e) Subsection (c) of this section becomes effective July 1, 2025. The remainder of this section becomes effective October 1, 2025.

FACILITATE TRANSITION OF GENERAL CONTRACTORS TO BECOME CODE-ENFORCEMENT OFFICIALS

SECTION 2.(a) Article 9C of Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-151.23. General Contractor to Inspector Transition Incentive Program.

(a) Program Established. – The Board, in consultation with the North Carolina Licensing Board for General Contractors and the Office of State Fire Marshal, shall develop and implement a General Contractor to Inspector Transition Program (Program). The purpose of this Program is to encourage experienced and qualified individuals holding licenses as general contractors under Chapter 87 of the General Statutes to pursue careers as Code-enforcement officials. The Program shall seek to leverage the construction knowledge and practical experience of general contractors to expedite their qualification, entry, and progression within the Code-enforcement profession.

- 1 (b) Eligibility. – Participation in the Program requires that an individual must, at a
2 minimum:
- 3 (1) Hold a current, valid license in good standing issued by the North Carolina
4 Licensing Board for General Contractors. The Board may establish rules
5 defining specific license classifications or experience levels suitable for
6 transition.
- 7 (2) Satisfy all general eligibility requirements for employment as a
8 Code-enforcement official established by the employing jurisdiction and the
9 Board, not otherwise addressed by this section.
- 10 (3) Meet all prerequisites for obtaining certification as required by the Board,
11 except as specifically modified for Program participants by this section.
- 12 (c) Program Components; Expedited Qualification. – The Program shall incorporate
13 incentives designed to facilitate the transition of eligible general contractors, which may include,
14 but are not limited to:
- 15 (1) Recognition of experience. – The Board may utilize its existing policies and
16 procedures, such as the Policy for Evaluation of Education and Experience, to
17 assess the relevant experience gained by a licensed general contractor
18 participating in the Program, potentially allowing the Board to grant credit
19 towards meeting the requirements for specific technical courses where
20 applicable and consistent with the limitations of said policies. This evaluation
21 does not waive the requirement to successfully complete the Law and
22 Administrative course or any State examination required for certification.
- 23 (2) Tailored training and assessment. – The Board may approve or create
24 specialized training modules or competency evaluations tailored for Program
25 participants, focusing on the State Building Code, enforcement procedures,
26 and ethical requirements, while potentially crediting prior knowledge
27 demonstrated through licensure and practical experience.
- 28 (3) Direct eligibility for level II certification. – Notwithstanding any rule
29 requiring sequential progression through certification levels or completion of
30 level I prerequisites, a Program participant who holds a current license as a
31 general contractor and who successfully completes the Law and
32 Administration course required by the Board shall be immediately eligible to
33 do both of the following:
- 34 a. Enroll in and complete the required technical course for level II
35 certification as a Code-enforcement official.
- 36 b. Sit for the State examination for level II certification as a
37 Code-enforcement official. Upon passing the level II State
38 examination, the participant shall be granted a standard level II
39 certificate. This provision specifically waives the requirements
40 associated with obtaining a standard level I certificate, including the
41 level I technical course, the level I state examination, and any
42 minimum time requirement for holding a level I certificate, for
43 qualified Program participants.
- 44 (4) Expedited Progression from level II to level III. – Notwithstanding any rule
45 establishing a minimum time period for which a standard level II certificate
46 must be held, a Program participant who holds a current license as a general
47 contractor and who successfully obtains a standard level II certificate pursuant
48 to subdivision (3) of this subsection shall be immediately eligible for both of
49 of the following:
- 50 a. Enroll in and complete the required technical course for level III
51 certification.

b. Sit for the State examination for level III certification.

This provision specifically waives the minimum time requirement otherwise applicable between obtaining a standard level II certificate and eligibility for the level III examination for qualified Program participants in the building trade. It does not waive the requirement to successfully pass the level III technical course and the level III State examination, nor does it waive any other prerequisite for level III certification not explicitly addressed herein.

(5) Competency standards maintained. – Except for the specific waiver of the requirements associated with obtaining a standard level I certificate as provided in subdivision (3) of this subsection and the waiver of the minimum time requirement for holding a standard level II certificate as provided in subdivision (4) of this subsection for eligible Program participants, all other applicable qualification requirements and competency standards for certification, including coursework completion and passing required State examinations for each level obtained, shall remain in effect. The Board shall continue to define the minimum training standards and administer examinations to ensure competency.

(d) Outreach and Collaboration. – The Board and the Office of State Fire Marshal shall collaborate with the North Carolina Licensing Board for General Contractors and relevant construction industry associations. Their collaborative efforts shall promote awareness of the Program and opportunities in Code enforcement among licensed general contractors.

(e) Rulemaking Authority. – The Board shall adopt rules necessary to implement the provisions of this section. Such rules may cover specific eligibility criteria, application procedures, standards for experience recognition, and requirements for successful program completion.

(f) Integrity of Code Enforcement. – Nothing in this section shall be interpreted as lowering the standards of competency required for Code-enforcement officials. Every Program participant must meet the qualification standards set forth by the Board for the applicable level of certification prior to independently performing Code enforcement duties requiring such certification."

SECTION 2.(b) This section becomes effective October 1, 2025.

REQUIRE JUST CAUSE AND DUE PROCESS PROTECTIONS FOR THE DISMISSAL, DEMOTION, OR SUSPENSION OF COUNTY AND MUNICIPAL BUILDING INSPECTORS

SECTION 3.(a) Part 4 of Article 5 of Chapter 153A of the General Statutes is amended by adding a new section to read:

"§ 153A-100. Building inspector disciplinary procedures.

(a) Definitions. – As used in this section, the term "building inspector" means any individual employed or contracted by the county who holds a valid certification issued by the North Carolina Code Officials Qualification Board and who is authorized by the county to enforce one or more provisions of the State Building Code pursuant to G.S. 160D-1102 and G.S. 143-151.8, et seq.

(b) Just Cause Required; Local Definition. – A building inspector employed by a county pursuant to G.S. 153A-351 shall only be discharged, suspended, or demoted for disciplinary reasons upon a finding of just cause. The county shall adopt rules or personnel policies defining "just cause" for the purposes of this section. This definition shall include, but not be limited to, grounds related to the building inspector's job performance and personal conduct affecting the inspector's ability to perform assigned duties.

(c) Emergency Suspension Exception. – This section does not preclude the immediate suspension of a building inspector, without prior written notice, in situations where the building

1 inspector's conduct or performance presents an imminent threat to public safety or property, or
2 results in significant disruption to county operations, provided such grounds align with the
3 county's definition of just cause. Under these circumstances, the building inspector shall receive
4 written justification detailing the specific conduct prompting the suspension as soon as
5 practicable thereafter. The building inspector shall be provided the right to appeal the suspension
6 as provided in subsection (e) of this section.

7 (d) Procedural Safeguards. – Excluding emergency suspensions under subsection (c) of
8 this section, any disciplinary dismissal, demotion, or suspension of a building inspector covered
9 by this section shall adhere to a personnel policy or procedure adopted by the county that ensures
10 the building inspector receives minimum procedural safeguards. Counties shall develop and
11 adopt such a policy or procedure, which shall include, at a minimum, all of the following:

12 (1) Prior written notice. – Before imposing any suspension, demotion, or
13 dismissal for disciplinary reasons, the county shall furnish the inspector with
14 a written statement of the specific acts or omissions that form the basis for the
15 action. This notice shall inform the inspector of the right to appeal the decision
16 according to the county's personnel procedures.

17 (2) Opportunity for hearing. – A hearing before a designated county official or
18 board where the building inspector has a reasonable opportunity to respond to
19 the reasons for the proposed action and present evidence.

20 (3) Right to counsel. – The building inspector possesses the right to be represented
21 by counsel, at the building inspector's expense, during the hearing and any
22 subsequent appeal stages provided by the county's policy or procedure.

23 (4) Written decision. – A formal written decision detailing findings of fact and
24 the rationale for the disciplinary measure taken.

25 (e) Right to Appeal. – The building inspector shall have the right to appeal the
26 disciplinary action through the employing county's grievance or personnel appeal procedure. The
27 inspector shall be afforded a reasonable time of not less than 15 days to file an appeal for a final
28 decision under the county's process. The time for filing an appeal shall commence upon the
29 inspector's receipt of the written decision required by subdivision (d)(4) of this section, or upon
30 receipt of the written justification following an emergency suspension under subsection (c) of
31 this section, as applicable.

32 (f) Local Flexibility Preserved. – Each county may adopt supplementary personnel
33 policies and procedures governing the discipline and removal of building inspectors, provided
34 they are consistent with the minimum requirements of this section. Nothing in this section shall
35 be interpreted to prevent a county from establishing more detailed procedures or higher standards
36 of conduct than those required by this section."

37 **SECTION 3.(b)** Part 4 of Article 7 of Chapter 160A of the General Statutes is
38 amended by adding a new section to read:

39 **"§ 160A-170. Building inspector disciplinary procedures.**

40 (a) Definitions. – As used in this section, the term "building inspector" means any
41 individual employed or contracted by the city who holds a valid certification issued by the North
42 Carolina Code Officials Qualification Board and who is authorized by the city to enforce one or
43 more provisions of the State Building Code pursuant to G.S. 160D-1102 and G.S. 143-151.8, et
44 seq.

45 (b) Just Cause Required; Local Definition. – A building inspector employed by a city
46 pursuant to G.S. 160A-311 and charged with enforcing the State Building Code shall only be
47 discharged, suspended, or demoted for disciplinary reasons upon a finding of just cause. The city
48 shall adopt rules or personnel policies defining "just cause" for the purposes of this section. This
49 definition shall include, but not be limited to, grounds related to the building inspector's job
50 performance and personal conduct affecting the inspector's ability to perform assigned duties.

(c) Emergency Suspension Exception. – This section does not preclude the immediate suspension of a building inspector, without prior written notice, in situations where the building inspector's conduct or performance presents an imminent threat to public safety or property, or results in significant disruption to city operations, provided such grounds align with the city's definition of just cause. Under these circumstances, the building inspector shall receive written justification detailing the specific conduct prompting the suspension as soon as practicable thereafter. The building inspector shall be provided the right to appeal the suspension as provided in subsection (e) of this section.

(d) Procedural Safeguards. – Excluding emergency suspensions under subsection (c) of this section, any disciplinary dismissal, demotion, or suspension of a building inspector covered by this section shall adhere to a personnel policy or procedure adopted by the city that ensures the building inspector receives minimum procedural safeguards. Cities shall develop and adopt such a policy or procedure, which shall include, at a minimum, all of the following:

(1) Prior Written Notice. – Before imposing any suspension, demotion, or dismissal for disciplinary reasons, the city shall furnish the inspector with a written statement of the specific acts or omissions that form the basis for the action. This notice shall inform the inspector of the right to appeal the decision according to the city's personnel procedures.

(2) Opportunity for Hearing. – A hearing before a designated city official or board where the building inspector has a reasonable opportunity to respond to the reasons for the proposed action and present evidence.

(3) Right to Counsel. – The building inspector possesses the right to be represented by counsel, at the building inspector's expense, during the hearing and any subsequent appeal stages provided by the city's policy or procedure.

(4) Written Decision. – A formal written decision detailing findings of fact and the rationale for the disciplinary measure taken.

(e) Right to Appeal. – The building inspector shall have the right to appeal the disciplinary action through the employing city's grievance or personnel appeal procedure. The inspector shall be afforded a reasonable time of not less than 15 days to file an appeal for a final decision under the city's process. The time for filing an appeal shall commence upon the inspector's receipt of the written decision required by subdivision (d)(4) of this section, or upon receipt of the written justification following an emergency suspension under subsection (c) of this section, as applicable.

(f) Local Flexibility Preserved. – Each city may adopt supplementary personnel policies and procedures governing the discipline and removal of building inspectors, provided they are consistent with the minimum requirements of this section. Nothing in this section shall be interpreted to prevent a city from establishing more detailed procedures or higher standards of conduct than those required by this section."

SECTION 3.(c) This section becomes effective July 1, 2026, and applies to disciplinary actions initiated on or after that date.

PROVIDE FINALITY TO BUILDING INSPECTIONS

SECTION 4.(a) G.S. 160D-1113 reads as rewritten:

"§ 160D-1113. Inspections of work in progress.

(a) Inspection Authority and Access. – Subject to the limitation imposed by G.S. 160D-1104(d), as the work pursuant to a building permit progresses, local inspectors shall make as many inspections thereof as may be necessary to satisfy them that the work is being done according to the provisions of any applicable State and local laws and of the terms of the permit. In exercising this power, members of the inspection department have a right to enter on any premises within the jurisdiction of the department at all reasonable hours for the purposes of inspection or other enforcement action, upon presentation of proper credentials. If a building

1 permit has been obtained by an owner exempt from licensure under G.S. 87-1(b)(2), no
2 inspection shall be conducted without the owner being present, unless the plans for the building
3 were drawn and sealed by an architect licensed pursuant to Chapter 83A of the General Statutes.-

4 (b) Finality of Approved Inspections. – If any component or element of construction has
5 passed a required inspection and been approved by a local inspector (or by the inspection
6 department) as compliant with the State Building Code and applicable law, that approval shall
7 be binding and final as to the Code requirements for that stage of construction. No subsequent
8 inspection shall require the uncovered re-inspection, alteration, dismantling, or removal of the
9 approved component or element, nor shall any inspector or inspection department rescind or
10 withhold approval for such component or element, except upon the occurrence of one of the
11 following conditions:

- 12 (1) Change in Code Requirements – A material change in the applicable State
13 Building Code or other governing law takes effect after the date of the
14 inspection approval, and retroactive compliance with the new provision is
15 expressly required or is necessary for life-safety reasons.
16 (2) Fraud or Misrepresentation – The inspection approval was issued on the basis
17 of false or misleading information, misrepresentation, or fraud which, if
18 known at the time, would have caused the inspector to withhold approval. This
19 includes situations where the work as actually performed deviated from what
20 was presented to the inspector in order to obtain approval.
21 (3) Concealed Defect Discovered – A defect or code violation is discovered in the
22 approved work that could not reasonably have been observed at the time of
23 the original inspection (for example, a condition that was hidden within a wall,
24 underground, or otherwise concealed), and the defect results in
25 non-compliance with applicable code requirements or presents a safety
26 hazard.
27 (4) Subsequent Damage or Alteration – The approved component or element has
28 been damaged, removed, or altered after the date of the approved inspection
29 in a manner that brings it out of compliance with the Code or the approved
30 plans.

31 If any of the above conditions is met, an inspector may reinspect and require corrective action
32 regarding the previously approved work. In the absence of such conditions, however, the initial
33 approval shall remain valid and the project shall not be deemed in violation of the State Building
34 Code with respect to the aspects of work so approved."

35 **SECTION 4.(b)** This section becomes effective October 1, 2025, and applies to
36 building permits applied for on or after that date.
37

38 **CREATION OF DISASTER BUILDING INSPECTION RELIEF FUND**

39 **SECTION 5.(a)** Purpose. – The purpose of this section is to create a dedicated fund
40 to support Tier 1 and Tier 2 counties in increasing their building code inspection capacity after a
41 disaster. Such capacity enhancements are critical to ensuring public safety and expediting the
42 recovery of impacted communities.

43 **SECTION 5.(b)** Definitions. – For purposes of this section, the following definitions
44 apply:

- 45 (1) County tier system. – The system for designating the economic well-being of
46 counties in the State as established by the North Carolina Department of
47 Commerce pursuant to G.S. 143B-437.08.
48 (2) Disaster. – An event for which the Governor has declared a state of emergency
49 or disaster pursuant to Chapter 166A of the General Statutes.
50 (3) Eligible county. – A county designated as a tier 1 or tier 2 county under the
51 county tier system at the time of the disaster declaration.

- (4) Eligible costs. – Expenditures directly related to the hiring, contracting, or procurement of additional building code inspectors and other personnel necessary to conduct post-disaster inspections, including associated reasonable costs for salaries, contract fees, travel, lodging, overtime, and training expenses incurred after the date of the disaster.
- (5) OSFM. – The Office of State Fire Marshal.
- (6) Tier 1 county. – A county designated as tier 1 under the county tier system.
- (7) Tier 2 county. – A county designated as tier 2 under the county tier system.

SECTION 5.(c) Establishment of Fund. – There is established in the Department of Insurance a special fund to be known as the Disaster Building Inspection Relief Fund (Relief Fund). The Relief Fund shall be administered by OSFM. The purpose of the Relief Fund is to provide financial assistance grants to eligible counties for the purpose of hiring additional building code inspectors to support disaster recovery efforts.

SECTION 5.(d) Fund Availability and Triggering Event. – Funds within the Relief Fund shall become available for application by eligible counties only upon the Governor's declaration of a state of emergency or disaster pursuant to Chapter 166A of the General Statutes impacting one or more eligible counties.

SECTION 5.(e) Eligible Use of Funds. – Funds disbursed from the Relief Fund under this section shall be used by eligible counties solely for eligible costs incurred for the purpose of augmenting building code inspection capacity in response to the declared disaster. Funds may not be used to supplant existing local funding for Code enforcement activities that were budgeted prior to the disaster.

SECTION 5.(f) Matching Requirements and Local Contributions. – Funds disbursed from the Relief Fund are subject to the following:

- (1) Match required. – No eligible county shall receive funds under this section unless, as a condition precedent to the disbursement of funds, the county has documented its commitment to provide a local match from non-State sources.
- (2) Match percentages. – The required local match shall be calculated as a percentage of the total eligible costs for which the county requests assistance from the Relief Fund, determined as follows:
 - a. Tier 1 counties shall provide a local match equivalent to ten percent (10%) of the requested eligible costs.
 - b. Tier 2 counties shall provide a local match equivalent to twenty-five percent (25%) of the requested eligible costs.

SECTION 5.(g) Application and Award Process. – Funds disbursed from the Relief Fund are subject to the following application and award processes:

- (1) Application. – Following a disaster triggering Relief Fund availability, an eligible county seeking assistance shall submit an application to OSFM. OSFM shall prescribe the application form. The application shall, at a minimum:
 - a. Describe the impact of the disaster on the county's building stock and existing Code-enforcement capacity.
 - b. Provide documentation substantiating the need for additional Code-enforcement personnel resulting from the disaster.
 - c. Outline a plan for utilizing the requested funds, including the number and type of personnel to be hired or contracted and estimated eligible costs.
 - d. Certify the county's commitment to provide the required local match as specified in subsection (f) of this section.
- (2) Award process. – OSFM shall review applications based on demonstrated need, the severity of the disaster's impact on the county, the feasibility of the

county's plan, and compliance with this section. OSFM may award grants to eligible counties on an expedited basis following a disaster declaration to ensure timely inspection services are available to support safe rebuilding efforts. In the event that available funds are insufficient to meet the needs of all qualified applicants, OSFM shall prioritize awards as follows:

- a. First, to eligible counties designated as a tier 1 county.
- b. Second, among remaining eligible counties, preference shall be given to those with a total population of less than 200,000 according to the most recent decennial census data.

SECTION 5.(h) Reporting. – OSFM shall report on the administration and use of the Relief Fund to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division. An initial report shall be submitted no later than 90 days after the first grant is awarded from the Relief Fund following a disaster declaration. Subsequent reports shall be submitted annually by November 1. Each report shall include, for the reporting period, information on all grants awarded, the recipient counties, the amount of State funds disbursed and local matching funds provided for each grant, and a summary of the outcomes achieved through the additional inspection support, including any effects on the timeliness of disaster recovery efforts.

SECTION 5.(i) Administration. – OSFM is authorized to develop guidelines, procedures, and application forms necessary to implement the provisions of this section.

PRESERVE LEVEL I CODE-ENFORCEMENT OFFICIALS' AUTHORITY TO INSPECT CERTAIN NONRESIDENTIAL BUILDINGS

SECTION 6.(a) Level I Inspections. – Notwithstanding any provision of law to the contrary, an individual who holds a standard certificate as a Code-enforcement official with a level I Building qualification is authorized to conduct inspections on the following types of structures:

- (1) Small residential buildings. – Residential building up to three stories in height and containing no more than four dwelling units, in accordance with the North Carolina Residential Code.
- (2) Small nonresidential buildings. – Nonresidential buildings that are no more than one story in height and do not exceed 20,000 square feet in gross floor area, provided such buildings are classified under the North Carolina State Building Code as Business, Mercantile, Factory-Industrial, Storage, or Utility/Miscellaneous occupancies.

Level I Code-enforcement officials may perform any inspection within the scope defined in this subsection.

SECTION 6.(b) Rulemaking. – The Code Officials Qualification Board shall adopt rules substantively identical to subsection (a) 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, and such rules shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received under G.S. 150B-21.3(b2). Until the effective date of the rules the Code Officials Qualification Board is required to adopt pursuant to this section, the Board and local governments shall follow the provisions of subsection (a) of this section as they relate to the buildings level I Code-enforcement officials may inspect.

SECTION 6.(c) Sunset. – Subsection (a) of this section expires when the permanent rules adopted as required by subsection (b) of this section become effective.

EFFECTIVE DATE

SECTION 7. Except as otherwise provided, this act is effective when it becomes law.