

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL 700

Short Title: Create the Office of Engineering and Codes. (Public)

Sponsors: Senators Jarvis, Lazzara, and Sawrey (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 26, 2025

A BILL TO BE ENTITLED
AN ACT TO CREATE THE OFFICE OF ENGINEERING AND CODES WITHIN THE
DEPARTMENT OF LABOR AND TRANSFER VARIOUS COUNCILS AND BOARDS
TO THE OFFICE OF ENGINEERING AND CODES.

The General Assembly of North Carolina enacts:

**PART I. CREATION OF THE OFFICE OF ENGINEERING AND CODES AND
CONFORMING CHANGES TO THE OFFICE OF THE STATE FIRE MARSHAL**

SECTION 1.1.(a) Chapter 95 of the General Statutes is amended by adding a new
article to read:

"Article 24.

"Office of Engineering and Codes.

"§ 95-280. Office of Engineering and Codes.

(a) The Office of Engineering and Codes is created within the Department of Labor and
the Office shall exercise its powers and duties independently of the Department. The Department
of Labor shall provide clerical and professional services to the Office of Engineering and Codes
for the purpose of carrying out its powers and duties under this Article and the laws of this State.
For purposes of this section, the phrase "clerical and professional services" includes, but is not
limited to, budgetary, human resources, information technology, and legal.

(b) The Office of Engineering and Codes shall be responsible for all of the following:

(1) Building Code Council and Residential Code Council, Article 9 of Chapter
143 of the General Statutes.

(2) North Carolina Manufactured Housing Board – Manufactured Home
Warranties, Article 9A of Chapter 143 of the General Statutes.

(3) Uniform Standards Code for Manufactured Homes, Article 9B of Chapter 143
of the General Statutes.

(4) North Carolina Code Officials Qualification Board, Article 9C of Chapter 143
of the General Statutes.

(5) North Carolina Home Inspector Licensure Board, Article 9F of Chapter 143
of the General Statutes.

(6) Engineering and Building Codes Division.

(c) The "State Engineer," as that term is used in this Article and elsewhere in the General
Statutes, shall be the head of the Office of Engineering and Codes and shall be a person appointed
by the Commissioner of Labor subject to confirmation by the General Assembly by joint
resolution. The State Engineer shall be a person other than the Commissioner of Labor and shall
serve a three-year term. If a vacancy arises or exists pursuant to this subsection when the General



Assembly is not in session, the Commissioner of Labor may appoint a State Engineer to serve on an interim basis pending confirmation by the General Assembly. For the purposes of this subsection, the General Assembly is not in session only (i) prior to convening of the Regular Session, (ii) during any adjournment of the Regular Session for more than 10 days, and (iii) after sine die adjournment of the Regular Session.

(d) The salary of the State Engineer shall be set by the General Assembly in the Current Operations Appropriations Act. In addition to the salary set by the General Assembly in the Current Operations Appropriations Act, the State Engineer shall receive as longevity pay in an amount equal to four and eight-tenths percent (4.8%) of the annual salary set forth in the Current Operations Appropriations Act payable monthly after five years of service, and nine and six-tenths percent (9.6%) after 10 years of service. For purposes of this subsection, the term "service" means service as the State Engineer.

"§ 95-281. Execution of laws; adopt rules to enforce laws.

The State Engineer shall see that all laws the State Engineer is responsible for administering are faithfully executed and, to that end, the State Engineer is authorized to adopt rules in accordance with Chapter 150B of the General Statutes in order to enforce, carry out, and make effective the provisions of those laws. The State Engineer is also authorized to adopt such further rules not contrary to those laws that will prevent persons subject to the State Engineer's regulatory authority from engaging in practices injurious to the public.

"§ 95-282. Public office; inspection of records.

The Office of Engineering and Codes shall be a public office and the records, reports, books, and papers thereof on file therein shall be accessible to the inspection of the public, except that the records compiled as a part of an investigation for the crimes, shall not be considered as public records and may be made available to the public only upon an order of a court of competent jurisdiction. Provided that such records shall upon request be made available to the district attorney of any district if the same concerns persons or investigations in the district attorney's district.

"§ 95-283. Hearings and investigations.

All hearings and investigations undertaken by the Office of Engineering and Codes as required by this Article may be conducted by the State Engineer personally or by one or more employees in the Office of Engineering and Codes or, if requested by the State Engineer, one or more employees in the Department of Labor. If the State Engineer or any investigator appointed to conduct the investigations is of the opinion that there is evidence to charge any person or persons with a criminal violation, the State Engineer may arrest with warrant or cause the person or persons to be arrested. All hearings shall, unless otherwise specifically provided, be held in accordance with this Article and Article 3A of Chapter 150B of the General Statutes and at a time and place designated in a written notice given by the State Engineer to the person cited to appear. The notice shall state the subject of inquiry and the specific charges, if any.

"§ 95-284. Designated hearing officers.

In any contested case involving the Office of Engineering and Codes, the State Engineer may designate a member of the State Engineer's staff to serve as a hearing officer. When the State Engineer is unable or elects not to hear a contested case and elects not to designate a hearing officer to hear a contested case, the State Engineer shall apply to the Director of the Office of Administrative Hearings for the designation of an administrative law judge to preside at the hearing of a contested case. Upon receipt of the application, the Director shall, without undue delay, assign an administrative law judge to hear the case.

"§ 95-285. Civil penalties or restitution for violations; administrative procedure.

(a) This section applies to any person who is subject to licensure by the Office of Engineering and Codes.

(b) Whenever the State Engineer finds a violation of any of the provisions of this Article, the State Engineer may, in addition to or instead of suspending or revoking the license issued by

the State Engineer, order the payment of a monetary penalty as provided in subsection (c) of this section or petition the Superior Court of Wake County for an order directing payment of restitution as provided in subsection (d) of this section, or both. Each day during which a violation occurs constitutes a separate violation.

(c) If the State Engineer orders the payment of a monetary penalty pursuant to subsection (b) of this section, the penalty shall not be less than one hundred dollars (\$100.00) nor more than one thousand dollars (\$1,000). In determining the amount of the penalty, the State Engineer shall consider the degree and extent of harm caused by the violation, the amount of money that inured to the benefit of the violator as a result of the violation, whether the violation was committed willfully, and the prior record of the violator in complying or failing to comply with laws, rules, or orders applicable to the violator. The clear proceeds of the penalty shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2. Payment of the civil penalty under this section shall be in addition to payment of any other penalty for a violation of the criminal laws of this State.

(d) Upon petition of the State Engineer, the court may order the person who committed a violation of this Article to make restitution in an amount that would make whole any person harmed by the violation. The petition may be made at any time and also in any appeal of the State Engineer's order. Restitution to any State agency for extraordinary administrative expenses incurred in the investigation and hearing of the violation may also be ordered by the court in such amount that would reimburse the agency for the expenses.

(e) Nothing in this section shall prevent the State Engineer from negotiating a mutually acceptable agreement with any person as to the status of the person's license or as to any civil penalty or restitution.

(f) Unless otherwise specifically provided for, all administrative proceedings under this Article are governed by Chapter 150B of the General Statutes. Appeals of the State Engineer's orders under this section shall be governed by G.S. 95-286.

"§ 95-286. Court review of orders and decisions.

(a) Any order or decision made, issued, or executed by the State Engineer is subject to review in the Superior Court of Wake County on petition by any person aggrieved filed within 30 days from the date of the delivery of a copy of the order or decision made by the State Engineer upon the person. A copy of the petition for review as filed with and certified by the clerk of the Superior Court of Wake County shall be served upon the State Engineer within five days after the filing thereof. If the petition for review is not filed within 30 days, the parties aggrieved shall be deemed to have waived the right to have the merits of the order or decision reviewed and there shall be no trial of the merits thereof by any court to which application may be made by petition or otherwise, to enforce or restrain the enforcement of the same.

(b) The State Engineer shall within 30 days, unless the time is extended by order of court, after the service of the copy of the petition for review as provided in subsection (a) of this section, prepare and file with the clerk of the Superior Court of Wake County a complete transcript of the record of the hearing, if any, and a true copy of the order or decision duly certified. The order or decision of the State Engineer if supported by substantial evidence shall be presumed to be correct and proper. The court may change the place of hearing (i) upon consent of the parties, (ii) when the convenience of witnesses and the ends of justice would be promoted by the change, or (iii) when the judge has at any time been interested as a party or counsel. The cause shall be heard by the trial judge as a civil case upon transcript of the record for review of findings of fact and errors of law only. It shall be the duty of the trial judge to hear and determine the petition with all convenient speed and, to this end, the cause shall be placed on the calendar for the next succeeding term for hearing ahead of all other cases except those already given priority by law. If, on the hearing before the trial judge, it shall appear that the record filed by the State Engineer is incomplete, the trial judge may, by appropriate order, direct the State Engineer to certify any

1 or all parts of the record omitted. The trial judge shall have jurisdiction to affirm or to set aside
2 the order or decision of the State Engineer and to restrain the enforcement thereof.

3 (c) Appeals from all final orders and judgments entered by the superior court in reviewing
4 the orders and decisions of the State Engineer may be taken to the appellate division of the
5 General Court of Justice by any party to the action as in other civil cases.

6 (d) The commencement of proceedings under this section shall not operate as a stay of
7 the State Engineer's order or decision, unless otherwise ordered by the court.

8 **"§ 95-287. Original documents and certified copies as evidence.**

9 Every document executed by the State Engineer, in pursuance of any authority conferred on
10 the State Engineer by law and sealed with the seal of office, may be used as evidence and may
11 be recorded in the proper recording offices, in the same manner and with like effect as a deed
12 regularly acknowledged or proved before an officer authorized by law to take the probate of
13 deeds, and all copies of papers in the Office of Engineering and Codes certified by the State
14 Engineer and authenticated by the official seal shall be evidence as the original.

15 **"§ 95-288. Court appearances.**

16 Whenever the State Engineer or any employee of the Office of Engineering and Codes is
17 requested or subpoenaed to testify as an expert witness in any civil or administrative action, the
18 party making the request or filing the subpoena and on whose behalf the testimony is given shall,
19 upon receiving a statement of the cost from the State Engineer, reimburse the Office of
20 Engineering and Codes for the actual time and expenses incurred by the State Engineer in
21 connection with the testimony.

22 **"§ 95-289. Seal.**

23 The State Engineer, with the approval of the Governor, shall devise a seal, with suitable
24 inscription, for the office, a description of which, with the certificate of approval by the Governor,
25 shall be filed in the Office of the Secretary of State, with an impression thereof, which seal shall
26 thereupon become the seal of the Office of Engineering and Codes. The seal may be renewed
27 whenever necessary.

28 **"§ 95-290. Oaths.**

29 The State Engineer, or the State Engineer's designee, in the Office of Engineering and Codes
30 shall administer all oaths required in the discharge of the State Engineer's official duty.

31 **"§ 95-291. Manufactured housing; restraining orders; criminal convictions; license**
32 **surrenders.**

33 (a) Restraining Order. – Whenever it appears to the State Engineer that any person has
34 violated, is violating, or threatens to violate any provision of Article 9A of Chapter 143 of the
35 General Statutes, North Carolina Manufactured Housing Board – Manufactured Home
36 Warranties, the State Engineer may apply to the superior court of any county in which the
37 violation has occurred, is occurring, or may occur for a restraining order and injunction to restrain
38 violation. If upon application the court finds that any provision of Article 9A of Chapter 143 of
39 the General Statutes has been violated, is being violated, or a violation thereof is threatened, the
40 court shall issue an order restraining and enjoining such violations and relief may be granted
41 regardless of whether criminal prosecution is instituted under any provision of law.

42 (b) Criminal Conviction. – The conviction in any court of competent jurisdiction of any
43 licensee for any criminal violation of Article 9A of Chapter 143 of the General Statutes
44 automatically has the effect of suspending the license of that person until the license is reinstated
45 by the North Carolina Manufactured Housing Board. As used in this subsection, "conviction"
46 includes an adjudication of guilt, a plea of guilty, and a plea of nolo contendere.

47 (c) License Surrenders. – When a person or entity licensed under Article 9A of Chapter
48 143 of the General Statutes is accused of any act, omission, or misconduct that would subject the
49 licensee to suspension or revocation, the licensee, with the consent and approval of the State
50 Engineer, may surrender the license for a period of time established by the State Engineer. A

person or entity who surrenders a license shall not thereafter be eligible for or submit any application for licensure during the period of license surrender.

"§ 95-292. Notification of criminal convictions and changes of address; service of notice.

(a) Every applicant for a license issued by the State Engineer shall inform the State Engineer of the applicant's residential address and provide the applicant's email address to which the State Engineer can send electronic notifications and other messages. Every licensee shall give written notification to the State Engineer of any change of the licensee's residential or email address within 10 business days after the licensee moves into the licensee's new residence or obtains a different email address. This requirement applies if the change of residential address is by governmental action and there has been no actual change of residence location, in which case the licensee shall notify the State Engineer within 10 business days after the effective date of the change. A violation of this subsection is not a ground for revocation, suspension, or nonrenewal of the license or for the imposition of any other penalty by the State Engineer, though a licensee who violates this subsection shall pay an administrative fee of fifty dollars (\$50.00) to the State Engineer. Notification under this subsection may be accomplished by submitting written notification directly to the State Engineer or by using any online services approved by the State Engineer for this purpose.

(b) If a licensee is convicted in any court of competent jurisdiction for any crime or offense other than a motor vehicle infraction, the licensee shall notify the State Engineer in writing of the conviction within 10 days after the date of the conviction. As used in this subsection, "conviction" includes an adjudication of guilt, a plea of guilty, or a plea of nolo contendere.

(c) Notwithstanding any other provision of law, whenever the State Engineer is authorized or required to give any notice under this Article, the notice may be given personally or by sending the notice by first-class mail to the licensee at the address that the licensee has provided to the State Engineer under subsection (a) of this section. The giving of notice by mail under this subsection is complete upon the expiration of four days after the deposit of the notice in the post office. Proof of the giving of notice by mail may be made by the certificate of any employee of the Department of Labor.

"§ 95-293. Advisory committees.

The State Engineer may create and appoint committees, each of which shall consist of no more than 13 members unless otherwise provided by law. The members of any committee shall serve at the pleasure of the State Engineer and may be paid per diem and necessary travel and subsistence expenses within the limits of appropriations made by the General Assembly and in accordance with G.S. 138-5. Per diem, travel, and subsistence payments to members of committees that are created in connection with federal programs shall be paid from federal funds unless otherwise provided by law. For purposes of this section, the term "committee" means a collective body that consults with and advises the State Engineer or the State Engineer's designee in detailed technical areas or as representative of citizen advice in specific areas of interest.

"§ 95-294. State Engineer to supervise local inspectors.

The State Engineer shall exercise general supervision over local inspectors or local investigators related to matters under the jurisdiction of the Office of Engineering and Codes, except as otherwise provided by law. Whenever the State Engineer has reason to believe that the local inspectors or local investigators are not doing their duty, the State Engineer, or the State Engineer's designee, shall make special trips of inspection or investigation and take proper steps to have all the provisions of the law relative to the inspection or investigation enforced."

SECTION 1.1.(b) G.S. 58-78A-1, as amended by Section 5.2(p) of S.L. 2024-49, reads as rewritten:

"§ 58-78A-1. Office of the State Fire Marshal.

...

(b) The Office of the State Fire Marshal shall be responsible for all of the following:

- (1) State Fire and Rescue Commission, Article 78 of this Chapter.
- (2) Investigation of Fires and Inspection of Premises, Article 79 of this Chapter.
- (3) State Volunteer Fire Department, Article 80 of this Chapter.
- (4) Pyrotechnics Training and Permitting, Article 82A of this Chapter.
- (5) Management of Aqueous Film-Forming Foams, Article 82B of this Chapter.
- (6) Local Firefighters' Relief Funds, Article 84 of this Chapter.
- (7) Statewide Firefighters' Relief Fund, Article 85 of this Chapter.
- (8) State Fire Protection Grant Fund, Article 85A of this Chapter.
- (9) North Carolina Firefighters' and Rescue Squad Workers' Pension Fund, Article 86 of this Chapter.
- (9a) Firefighters' Cancer Insurance Program, Article 86A of Chapter 58 of the General Statutes.
- (10) Volunteer Safety Workers Assistance, Article 87 of this Chapter.
- (11) Rescue Squad Workers' Relief Fund, Article 88 of this Chapter.
- ~~(12) Building Code Council and Residential Code Council, Article 9 of Chapter 143 of the General Statutes.~~
- ~~(13) North Carolina Manufactured Housing Board Manufactured Home Warranties, [Article 9A of Chapter 143 of the General Statutes].~~
- ~~(14) Uniform Standards Code for Manufactured Homes, Article 9B of this Chapter [Article 9B of Chapter 143 of the General Statutes].~~
- ~~(15) North Carolina Code Officials Qualification Board, Article 9C of this Chapter [Article 9C of Chapter 143 of the General Statutes].~~
- ~~(16) North Carolina Home Inspector Licensure Board, Article 9F of this Chapter [Article 9F of Chapter 143 of the General Statutes].~~
- ~~(17) Engineering and Building Codes Division in the Department of Insurance.~~
- (18) Risk Management Division in the Department of Insurance.
- (19) Community Risk Reduction Division in the Department of Insurance.
- (20) Ratings and Inspections.
- (21) Grants and Governmental Services.

...."

SECTION 1.2. G.S. 143A-78 is repealed.

SECTION 1.3. G.S. 58-78A-12 is repealed.

PART II. INSURANCE REGULATORY FUND CHANGES RELATED TO OFFICE OF ENGINEERING AND CODES CREATION

SECTION 2.1. G.S. 58-6-25 reads as rewritten:

"§ 58-6-25. Insurance regulatory charge.

(a) Charge Levied. – There is levied on each insurance company, other than a captive insurance company, an annual charge for the purposes stated in subsection (d) of this section. The charge levied in this section is in addition to all other fees and taxes. The percentage rate of the charge is established pursuant to subsection (b) of this section and is applied to the company's premium tax liability for the taxable year. In determining an insurance company's premium tax liability for a taxable year, the following shall be disregarded:

- (1) Additional taxes imposed by G.S. 105-228.8.
- (2) Repealed by Session Laws 2008-134, s. 67(a), as amended by Session Laws 2009-445, s. 44, effective for taxable years beginning on or after January 1, 2008.
- (3) Any tax credits for guaranty or solvency fund assessments under G.S. 105-228.5A or G.S. 97-133(a).
- (4) Any tax credits allowed under Chapter 105 of the General Statutes other than tax payments made by or on behalf of the taxpayer.

(b) Rates. – The rate of the charge for each taxable year shall be six and one-half percent (6.5%). When the Department prepares its budget request for each upcoming fiscal year, the Department shall propose a percentage rate of the charge levied in this section. The Governor shall submit that proposed rate to the General Assembly each fiscal year. It is the intent of the General Assembly that the percentage rate not exceed the rate necessary to generate funds sufficient to defray the estimated cost of the operations of the Department for each upcoming fiscal year, including a reasonable margin for a reserve that shall be used to provide for unanticipated expenditures requiring a budget adjustment as authorized by G.S. 143C-6-4. In calculating the amount of the reserve, the General Assembly shall consider all relevant factors that may affect the cost of operating the Department or a possible unanticipated increase or decrease in North Carolina premiums or other charge revenue.

(c) Returns; When Payable. – The charge levied on each insurance company is payable at the time the insurance company remits its premium tax. If the insurance company is required to remit installment payments of premiums tax under G.S. 105-228.5 for a taxable year, it shall also remit installment payments of the charge levied in this section for that taxable year at the same time and on the same basis as the premium tax installment payments. Each installment payment shall be equal to at least thirty-three and one-third percent (33.3%) of the insurance company's regulatory charge liability incurred in the immediately preceding taxable year.

Every insurance company shall, on or before the date the charge levied in this section is due, file a return on a form prescribed by the Secretary of Revenue. The return shall state the company's total North Carolina premiums or presumed premiums for the taxable year and shall be accompanied by any supporting documentation that the Secretary of Revenue may by rule require.

(d) Use of Proceeds. – The Insurance Regulatory Fund is created as an interest-bearing special fund to which the proceeds of the charge levied in this section and all fees collected under Articles 69 through 71 of this Chapter and under Articles 9 and 9C of Chapter 143 of the General Statutes shall be credited. Moneys in the Fund may be spent only pursuant to appropriation by the General Assembly, and the Fund is subject to the provisions of the State Budget Act. All money credited to the Fund shall be used to reimburse the General Fund for the following:

- (1) Money appropriated to the Department of Insurance to pay its expenses incurred in regulating the insurance industry, including the captive insurance industry, and other industries in this State.
- (2) Money appropriated to State agencies to pay the expenses incurred in regulating the insurance industry, in certifying statewide data processors under Article 11A of Chapter 131E of the General Statutes, and in purchasing reports of patient data from statewide data processors certified under that Article.
- (3) Money appropriated to the Department of Revenue to pay the expenses incurred in collecting and administering the taxes on insurance companies levied in Article 8B of Chapter 105 of the General Statutes.
- (4) Money appropriated for the office of Health Insurance Smart NC under G.S. 143-730 to pay the actual costs of administering the program.
- (5) Money appropriated to the Department of Insurance for the implementation and administration of independent external review procedures required by Part 4 of Article 50 of this Chapter.
- (6) Money appropriated to the Department of Justice to pay its expenses incurred in representing the Department of Insurance in its regulation of the insurance industry and other related programs and industries in this State that fall under the jurisdiction of the Department of Insurance.
- (6a) Money appropriated to the Department of Justice to pay its expenses incurred in representing the Department of Labor in related programs and industries in

this State that fall under the jurisdiction of the Office of Engineering and Codes.

(7) Money appropriated to the Department of Insurance to pay its expenses incurred in connection with providing staff support for State boards and commissions, ~~including the North Carolina Manufactured Housing Board, State Fire and Rescue Commission, North Carolina Building Code Council, North Carolina Code Officials Qualification Board, Public Officers and Employees Liability Insurance Commission, North Carolina Home Inspector Licensure Board, and the Volunteer Safety Workers' Compensation Board.~~

(7a) Money appropriated to the Department of Labor to pay its expenses incurred in connection with providing staff support for State boards, councils, and divisions, that fall under the jurisdiction of the Office of Engineering and Codes.

(8) Money appropriated to the Department of Insurance to pay its expenses incurred in connection with continuing education programs under Article 33 of this Chapter ~~and in connection with the purchase and sale of copies of the North Carolina State Building Code Chapter.~~

(8a) Money appropriated to the Department of Labor to pay its expenses incurred in connection with continuing education programs and the purchase and sale of copies of the North Carolina State Building Code.

(9) Money appropriated to the Department of Insurance for the regulation of the professional employer organization industry pursuant to Article 89A of ~~Chapter 58 of the General Statutes, this Chapter.~~

(10) Money appropriated to the Department of Insurance to pay its expenses incurred in promoting North Carolina's captive insurance industry.

(11) Money appropriated to the North Carolina Industrial Commission for support of the Commission's duties excepted from its statutory fee authority as set forth in G.S. 97-73(e).

(12) Money appropriated to the North Carolina Department of Labor to pay its expenses incurred in carrying out its powers and duties pursuant to Article 24 of Chapter 95 of the General Statutes.

(e) Definitions. – The following definitions apply in this section:

(1) Repealed by Session Laws 2003-284, s. 43.2, effective for taxable years beginning on or after January 1, 2004.

(1a) Captive insurance company. – Defined in G.S. 105-228.3.

(2) Insurance company. – A company or prepaid health plan, as defined in G.S. 58-93-5, that pays the gross premiums tax levied in G.S. 105-228.5 and G.S. 105-228.8.

(3) Insurer. – Defined in G.S. 105-228.3."

PART III. BUILDING CODE COUNCIL AND RESIDENTIAL CODE COUNCIL CONFORMING CHANGES

SECTION 3.1. G.S. 143-137, as amended by Section 5.1(c) of S.L. 2024-49, reads as rewritten:

"§ 143-137. Organization of Building Code Council; rules; meetings; staff; fiscal affairs.

(a) First Meeting; Organization; Rules. – Within 30 days after its appointment, the Building Code Council shall meet on call of the ~~State Fire Marshal, State Engineer, of the Office of Engineering and Codes.~~ The Council shall adopt rules as it may deem necessary for the proper discharge of its duties. The chair may establish and appoint members to committees as the work of the Council may require. In addition, the chair may establish and appoint ad hoc code revision committees to consider and prepare revisions and amendments to the Code volumes, as specified

in G.S. 143-138(a). Each ad hoc committee shall consist of members of the Council, licensed contractors, and design professionals most affected by the Code volume for which the ad hoc committee is responsible, and members of the public. Ad hoc committees shall meet upon the call of their respective chairs and shall report their recommendations to the Council.

...

(c) Staff. – Personnel of the ~~Division of Engineering of the Department of Insurance~~ Engineering and Building Codes Division of the Office of Engineering and Codes, shall serve as staff for the Council, and have the following duties:

(1) Keeping an accurate and complete record of all meetings, hearings, correspondence, laboratory studies, and technical work performed by or for the Council, and making these records available for public inspection at all reasonable times.

(2) Handling correspondence for the Council.

(d) Fiscal Affairs of the Council. – All funds for the operations of the Council and its staff shall be appropriated to the ~~Department of Insurance-Department of Labor~~ for the use of the Council. All such funds shall be held in a separate or special account on the books of the ~~Department of Insurance-Department of Labor~~, with a separate financial designation or code number to be assigned by the ~~Department of Insurance-Department of Labor~~ or its agent. Expenditures for staff salaries and operating expenses shall be made in the same manner as the expenditure of any other ~~Department of Insurance-Department of Labor~~ funds. The ~~Office of the State Fire Marshal~~ Office of Engineering and Codes may hire such additional personnel as may be necessary to handle the work of the Building Code Council, within the limits of funds appropriated to the ~~Department of Insurance-Department of Labor~~ for the Council and with the approval of the Council.

...."

SECTION 3.2. G.S. 143-137.1, as amended by Section 5.2(b) of S.L. 2024-49, reads as rewritten:

"§ 143-137.1. Organization of Residential Code Council; rules; meetings; staff; fiscal affairs; quorum.

(a) First Meeting; Organization; Rules. – Within 30 days after its appointment, the Residential Code Council shall meet on call of the ~~State Fire Marshal~~ State Engineer, of the Office of Engineering and Codes. The Council shall adopt rules it may deem necessary for the proper discharge of its duties. The chair may establish and appoint members to any committees the work of the Council may require. In addition, the chair may establish and appoint ad hoc code revision committees to consider and prepare revisions and amendments to the North Carolina Residential Code. Each ad hoc committee shall consist of members of the Council, licensed contractors, and design professionals most affected by the North Carolina Residential Code, and members of the public. Committees shall meet upon the call of their respective chairs and shall report their recommendations to the Council.

...

(c) Staff. – Personnel of the ~~Division of Engineering of the Department of Insurance~~ Engineering and Building Codes Division of the Office of Engineering and Codes, shall serve as staff for the Residential Code Council, and have the following duties:

(1) Keeping an accurate and complete record of all meetings, hearings, correspondence, laboratory studies, and technical work performed by or for the Council, and making these records available for public inspection at all reasonable times.

(2) Handling correspondence for the Council.

(d) Fiscal Affairs of the Council. – All funds for the operations of the Residential Code Council and its staff shall be appropriated to the ~~Department of Insurance-Department of Labor~~ for the use of the Council. These funds shall be held in a separate or special account on the books

of the ~~Department of Insurance, Department of Labor~~ with a separate financial designation or code number to be assigned by the ~~Department of Insurance-Department of Labor~~ or its agent. Expenditures for staff salaries and operating expenses shall be made in the same manner as the expenditure of any other ~~Department of Insurance-Department of Labor~~ funds. The ~~Department of Insurance-Department of Labor~~ may hire any additional personnel necessary to handle the work of the Council, within the limits of funds appropriated for the Council and with the approval of the Council.

...."

SECTION 3.3.(a) G.S. 143-138, as amended by Section 2.1 and 5.2(c) of S.L. 2024-49, reads as rewritten:

"§ 143-138. North Carolina State Building Code.

...

(a1) Additional Adoption Requirements. –

(1) The Building Code Council or Residential Code Council shall request the Office of State Budget and Management to prepare a fiscal note for a proposed Code change that has a substantial economic impact, as defined in G.S. 150B-21.4(b1), or that increases the cost of residential housing by eighty dollars (\$80.00) or more per housing unit. The change can become effective only in accordance with G.S. 143-138(d). Neither the ~~Office of the State Fire Marshal-Office of Engineering and Codes~~, nor the Councils shall be required to expend any monies to pay for the preparation of any fiscal note under this section by any person outside of the ~~Office of the State Fire Marshal-Office of Engineering and Codes~~, or Councils unless the Office or Councils contract with a third-party vendor to prepare the fiscal note.

(2) The responsible Council shall conduct a cost-benefit analysis for all proposed changes considered after January 1, 2018, to the North Carolina Energy Conservation Code.

...

(d) Amendments of the Code. – The Building Code Council and Residential Code Council may periodically revise and amend those parts of the North Carolina State Building Code for which those Councils are responsible, either on their own motion or upon application from any citizen, State agency, or political subdivision of the State. In addition to the periodic revisions or amendments made by the responsible Council, the Residential Code Council shall perform a comprehensive review and revise or amend the North Carolina Residential Code only every six years, to become effective the first day of January of the following year, with at least six months between adoption and effective date. The first six-year revision by the Residential Council under this subsection shall be adopted to become effective January 1, 2031, and every six years thereafter. After its appointment pursuant to G.S. 143-136.1, the Residential Code Council shall review the North Carolina Energy Conservation Code, the North Carolina Fuel Gas Code, and the North Carolina Mechanical Code as applicable to residential construction and may amend those codes and any relevant chapters of the North Carolina Residential Code, affected by that review, by January 1, 2026. Following the adoption of amendments to the North Carolina Residential Code affected by that review, the North Carolina Residential Code shall also be subject to the first six-year revision under this subsection. In adopting any amendment, the Building Code Council and Residential Code Council shall comply with the same procedural requirements and the same standards for adoption of the Code. The Building Code Council and Residential Code Council, through the ~~Office of the State Fire Marshal-Office of Engineering and Codes~~, shall publish in the North Carolina Register all appeal decisions made by the responsible Code Council and all formal opinions at least semiannually. The Building Code Council and Residential Code Council, through the ~~Office of the State Fire Marshal-Office of Engineering and Codes~~, shall also publish at least semiannually in the North Carolina Register a

statement providing the accurate website address and information on how to find additional commentary and interpretation of the Code.

...

(e) Effect upon Local Codes. – Except as otherwise provided in this section, the North Carolina State Building Code shall apply throughout the State, from the time of its adoption. Approved rules shall become effective in accordance with G.S. 150B-21.3. However, any political subdivision of the State may adopt a fire prevention code and floodplain management regulations within its jurisdiction. Provided a political subdivision shall not adopt local fire prevention code provisions which apply to dwellings subject to the North Carolina Residential Code which are not prescriptively required by the North Carolina Residential Code. The territorial jurisdiction of any municipality or county for this purpose, unless otherwise specified by the General Assembly, shall be as follows: Municipal jurisdiction shall include all areas within the corporate limits of the municipality and extraterritorial jurisdiction areas established as provided in G.S. 160D-202 or a local act; county jurisdiction shall include all other areas of the county. No such code or regulations, other than floodplain management regulations and those permitted by G.S. 160D-1128, shall be effective until they have been officially approved by the Building Code Council as providing adequate minimum standards to preserve and protect health and safety, in accordance with the provisions of subsection (c) above. Local floodplain regulations may regulate all types and uses of buildings or structures located in flood hazard areas identified by local, State, and federal agencies, and include provisions governing substantial improvements, substantial damage, cumulative substantial improvements, lowest floor elevation, protection of mechanical and electrical systems, foundation construction, anchorage, acceptable flood resistant materials, and other measures the political subdivision deems necessary considering the characteristics of its flood hazards and vulnerability. In the absence of approval by the Building Code Council, or in the event that approval is withdrawn, local fire prevention codes and regulations shall have no force and effect. Provided any local regulations approved by the local governing body which are found by the Council to be more stringent than the adopted statewide fire prevention code and which are found to regulate only activities and conditions in buildings, structures, and premises that pose dangers of fire, explosion or related hazards, and are not matters in conflict with the State Building Code, may be approved. Local governments may enforce the fire prevention code of the State Building Code using civil remedies authorized under G.S. 143-139, 153A-123, and 160A-175. If the ~~State Fire Marshal~~ State Engineer or other State official with responsibility for enforcement of the Code institutes a civil action pursuant to G.S. 143-139, a local government may not institute a civil action under G.S. 143-139, 153A-123, or 160A-175 based upon the same violation. Appeals from the assessment or imposition of such civil remedies shall be as provided in G.S. 160D-1127.

A local government may not adopt any ordinance in conflict with the exemption provided by subsection (c1) of this section. No local ordinance or regulation shall be construed to limit the exemption provided by subsection (c1) of this section.

...

(g) Publication and Distribution of Code. – The Building Code Council and Residential Code Council shall cause to be printed, after adoption by each responsible Code Council, the North Carolina State Building Code, or any part of the Code, and each amendment thereto. It shall, at the State's expense, distribute copies of the Code and each amendment to State and local governmental officials, departments, agencies, and educational institutions, as is set out in the table below. (Those marked by an asterisk will receive copies only on written request to the Council.)

OFFICIAL OR AGENCY

NUMBER OF COPIES

State Departments and Officials

Governor 1

Lieutenant Governor 1

1	Auditor	1
2	Treasurer	1
3	Secretary of State	1
4	Superintendent of Public Instruction.....	1
5	Attorney General (Library)	1
6	Commissioner of Agriculture.....	1
7	Commissioner of Labor.....	1
8	<u>State Engineer</u>	<u>1</u>
9	State Fire Marshal	1
10	Department of Environmental	
11	Quality.....	1
12	Department of Health and Human Service	1
13	Division of Adult Correction and Juvenile Justice of the	
14	Department of Public Safety	1
15	Board of Transportation	1
16	Utilities Commission.....	1
17	Department of Administration	1
18	Clerk of the Supreme Court	1
19	Clerk of the Court of Appeals	1
20	Department of Natural and Cultural Resources [State	
21	Library]	1
22	Supreme Court Library	1
23	Legislative Library	1
24	Office of Administrative Hearings.....	1
25	Rules Review Commission	1
26	Schools	
27	All state-supported colleges and universities	
28	in the State of North Carolina	*1 each
29	Local Officials	
30	Clerks of the Superior Courts.....	1 each
31	Chief Building Inspector of each incorporated	
32	municipality or county	1
33	In addition, the Building Code Council and Residential Code Council shall make additional	
34	copies available at such price as it shall deem reasonable to members of the general public. The	
35	proceeds from sales of the Code, or any part of the Code, shall be credited to the Insurance	
36	Regulatory Fund under G.S. 58-6-25.	
37	...	
38	(i) Section 1008 of Chapter X of Volume 1 of the North Carolina State Building Code,	
39	Title "Special Safety to Life Requirements Applicable to Existing High-Rise Buildings" as	
40	adopted by the North Carolina State Building Code Council on March 9, 1976, as ratified and	
41	adopted as follows:	
42	SECTION 1008-SPECIAL SAFETY TO LIFE REQUIREMENTS APPLICABLE TO	
43	EXISTING HIGH-RISE BUILDINGS	
44	1008 – GENERAL.	
45	(a) <i>Applicability.</i> – Within a reasonable time, as fixed by "written order" of the building	
46	official, and except as otherwise provided in subsection (j) of this section every building the	
47	[then] existing, that qualifies for classification under Table 1008.1 shall be considered to be a	
48	high-rise building and shall be provided with safety to life facilities as hereinafter specified. All	
49	other buildings shall be considered as low-rise. NOTE: The requirements of Section 1008 shall	
50	be considered as minimum requirements to provide for reasonable safety to life requirements for	

existing buildings and where possible, the owner and designer should consider the provisions of Section 506 applicable to new high-rise buildings.

(b) *Notification of Building Owner.* – ~~The Office of the State Fire Marshal Engineering and Building Codes Division~~ will send copies of amendments adopted to all local building officials with the suggestion that all local building officials transmit to applicable building owners in their jurisdiction copies of adopted amendments, within six months from the date the amendments are adopted, with the request that each building owner respond to the local building official how he plans to comply with these requirements within a reasonable time.

NOTE: Suggested reasonable time and procedures for owners to respond to the building official's request is as follows:

- (1) The building owner shall, upon receipt of written request from the building official on compliance procedures within a reasonable time, submit an overall plan required by 1008(c) below within one year and within the time period specified in the approved overall plan, but not to exceed five years after the overall plan is approved, accomplish compliance with this section, as evidenced by completion of the work in accordance with approved working drawings and specifications and by issuance of a new Certificate of Compliance by the building official covering the work. Upon approval of building owner's overall plan, the building official shall issue a "written order", as per 1008(a) above, to comply with Section 1008 in accordance with the approved overall plan.
- (2) The building official may permit time extensions beyond five years to accomplish compliance in accordance with the overall plan when the owner can show just cause for such extension of time at the time the overall plan is approved.
- (3) The local building official shall send second request notices as per 1008(b) to building owners who have made no response to the request at the end of six months and a third request notice to no response building owners at the end of nine months.
- (4) If the building owner makes no response to any of the three requests for information on how the owner plans to comply with Section 1008 within 12 months from the first request, the building official shall issue a "written order" to the building owner to provide his building with the safety to life facilities as required by this section and to submit an overall plan specified by (1) above within six months with the five-year time period starting on the date of the "written order".
- (5) For purposes of this section, the Construction Section of the Division of Health Service Regulation, Department of Health and Human Services, will notify all non-State owned I-Institutional buildings requiring licensure by the Division of Health Service Regulation and coordinate compliance requirements with the ~~Office of the State Fire Marshal Engineering and Building Codes Division~~ and the local building official.

(c) *Submission of Plans and Time Schedule for Completing Work.* – Plans and specifications, but not necessarily working drawings covering the work necessary to bring the building into compliance with this section shall be submitted to the building official within a reasonable time. (See suggested time in NOTE of Section 1008(b) above). A time schedule for accomplishing the work, including the preparation of working drawings and specifications shall be included. Some of the work may require longer periods of time to accomplish than others, and this shall be reflected in the plan and schedule.

NOTE: Suggested Time Period For Compliance:

SUGGESTED TIME PERIOD FOR COMPLIANCE

ITEM	CLASS I (SECTION)	CLASS II (SECTION)	CLASS III (SECTION)	TIME FOR COMPLETION
Signs in Elevator Lobbies and Elevator Cabs	1008.2(h)	1008.3(h)	1008.4(h)	180 days
Emergency Evacuation Plan	1008(b)	NOTE:		180 days
Corridor Smoke Detectors (Includes alternative door closers)	1008.2(c)	1008.3(c)	1008.4(c)	1 year
Manual Fire Alarm	1008.2(a)	1008.3(a)	1008.4(a)	1 year
Voice Communication System Required	1008.2(b)	1008.3(b)	1008.4(b)	2 years
Smoke Detectors Required	1008.2(c)	1008.3(c)	1008.4(c)	1 year
Protection and Fire Stopping for Vertical Shafts	1008.2(f)	1008.3(f)	1008.4(f)	3 years
Special Exit Requirements-Number, Location and Illumination to be in accordance with Section 1007	1008.2(e)	1008.3(e)	1008.4(e)	3 years
Emergency Electrical Power Supply	1008.2(d)	1008.3(d)	1008.4(d)	4 years
Special Exit Facilities Required	1008.2(e)	1008.3(e)	1008.4(e)	5 years
Compartmentation for Institutional Buildings	1008.2(f)	1008.3(f)	1008.4(f)	5 years
Emergency Elevator Requirements	1008.2(h)	1008.3(h)	1008.4(h)	5 years
Central Alarm Facility Required		1008.3(i)	1008.4(i)	5 years
Areas of Refuge Required on Every Eighth Floor			1008.4(j)	5 years
Smoke Venting			1008.4(k)	5 years
Fire Protection of Electrical Conductors			1008.4(l)	5 years
Sprinkler System Required			1008.4(m)	5 years

(d) ~~Building Official Notification of Office of State Fire Marshal.~~ Office of Engineering and Codes. – The building official shall send copies of written notices he sends to building owners to the ~~Engineering and Building Codes Division~~ Office of Engineering and Codes for their files and also shall file an annual report by August 15th of each year covering the past fiscal year setting forth the work accomplished under the provisions of this section.

(e) *Construction Changes and Design of Life Safety Equipment.* – Plans and specifications which contain construction changes and design of life safety equipment requirements to comply with provisions of this section shall be prepared by a registered architect in accordance with provisions of Chapter 83A of the General Statutes or by a registered engineer in accordance with provisions of Chapter 89C of the General Statutes or by both an architect and

1 engineer particularly qualified by training and experience for the type of work involved. Such
2 plans and specifications shall be submitted to the Engineering and Building Codes Division of
3 the ~~Department of Insurance~~ Office of Engineering and Codes for approval. Plans and
4 specifications for I-Institutional buildings licensed by the Division of Health Service Regulation
5 as noted in (b) above shall be submitted to the Construction Section of that Division for review
6 and approval.

7 (f) *Filing of Test Reports and Maintenance on Life Safety Equipment.* – The engineer
8 performing the design for the electrical and mechanical equipment, including sprinkler systems,
9 must file the test results with the Engineering and Building Codes Division of the ~~Department of~~
10 ~~Insurance~~ Office of Engineering and Codes, or to the agency designated by the ~~Office of the~~
11 ~~State Fire Marshal~~ Office of Engineering and Codes, that such systems have been tested to
12 indicate that they function in accordance with the standards specified in this section and
13 according to design criteria. These test results shall be a prerequisite for the Certificate of
14 Compliance required by (b) above. Test results for I-Institutional shall be filed with the
15 Construction Section, Division of Health Service Regulation. It shall be the duty and
16 responsibility of the owners of Class I, II and III buildings to maintain smoke detection, fire
17 detection, fire control, smoke removal and venting as required by this section and similar
18 emergency systems in proper operating condition at all times. Certification of full tests and
19 inspections of all emergency systems shall be provided by the owner annually to the fire
20 department.

21 (g) *Applicability of Chapter X and Conflicts with Other Sections.* – The requirements of
22 this section shall be in addition to those of Sections 1001 through 1007; and in case of conflict,
23 the requirements affording the higher degree of safety to life shall apply, as determined by the
24 building official.

25 (h) *Classes of Buildings and Occupancy Classifications.* – Buildings shall be classified
26 as Class I, II or III according to Table 1008.1. In the case of mixed occupancies, for this purpose,
27 the classification shall be the most restrictive one resulting from the application of the most
28 prevalent occupancies to Table 1008.1.

29 FOOTNOTE: Emergency Plan. – Owners, operators, tenants, administrators or managers of
30 high-rise buildings should consult with the fire authority having jurisdiction and establish
31 procedures which shall include but not necessarily be limited to the following:

- 32 (1) Assignment of a responsible person to work with the fire authority in the
33 establishment, implementation and maintenance of the emergency pre-fire
34 plan.
- 35 (2) Emergency plan procedures shall be supplied to all tenants and shall be posted
36 conspicuously in each hotel guest room, each office area, and each
37 schoolroom.
- 38 (3) Submission to the local fire authority of an annual renewal or amended
39 emergency plan.
- 40 (4) Plan should be completed as soon as possible.

41 ...

42"

43 **SECTION 3.3.(b)** The North Carolina State Building Code, as described in
44 G.S. 143-138(a), and amendments to the North Carolina State Building Code adopted by the
45 Building Code Council or Residential Code Council, or any enactment of the General Assembly
46 directing changes to the North Carolina State Building Code, in effect on July 1, 2026, shall not
47 be affected by this act, unless amended or repealed by the Building Code Council or Residential
48 Code Council, as applicable.

49 **SECTION 3.3.(c)** The current members of the Building Code Council and
50 Residential Code Council, appointed pursuant to G.S. 143-136 and G.S. 143-136.1, respectively,
51 affected by this act, may continue to serve until the expiration of their terms. Upon the expiration

of the term of each current member affected by the transfer of jurisdiction enacted by subsection (a) of this section, a successor shall be appointed in accordance with the provisions of G.S. 143-136 and G.S. 143-136.1, as applicable.

SECTION 3.4. G.S. 143-138.1 reads as rewritten:

"§ 143 138.1. Introduction and instruction of the North Carolina State Building Code; posting of written commentaries and interpretations on ~~Office of State Fire Marshal~~ Office of Engineering and Codes' website.

(a) Prior to the effective date of Code changes pursuant to G.S. 143-138, the responsible Code Council and the ~~Office of the State Fire Marshal~~ Office of Engineering and Codes shall provide for instructional classes for the various trades affected by the changes. The ~~Office of the State Fire Marshal~~ Office of Engineering and Codes shall develop the curriculum for each class but shall consult the affected licensing boards and trade organizations. The curriculum shall include explanations of the rationale and need for each Code amendment or revision. Classes may also be conducted by, on behalf of, or in cooperation with licensing boards, trade associations, and professional societies. The ~~Office of the State Fire Marshal~~ Office of Engineering and Codes may charge fees sufficient to recover the costs it incurs under this section. The responsible Code Council shall ensure that courses are accessible to persons throughout the State.

(b) The ~~Office of the State Fire Marshal~~ Office of Engineering and Codes shall post and maintain on that portion of its website devoted to the Building Code Council and Residential Code Council written commentaries and written interpretations made and given by staff to each responsible Code Council and the Office for each section of the North Carolina State Building Code within 10 business days of issuance."

SECTION 3.5. G.S. 143-139, as amended by Section 5.2(e) of S.L. 2024-49, reads as rewritten:

"§ 143-139. Enforcement of Building Code.

...

(b) General Building Regulations. – The ~~State Fire Marshal~~ State Engineer shall have general authority, through the ~~Division of Engineering of the Department of Insurance,~~ Engineering and Building Codes Division of the Department of Labor, to supervise, administer, and enforce all sections of the North Carolina State Building Code pertaining to plumbing, electrical systems, general building restrictions and regulations, heating and air conditioning, fire protection, and the construction of buildings generally, except those sections of the Code, the enforcement of which is specifically allocated to other agencies by subsections (c) through (e) below. In the exercise of the duty to supervise, administer, and enforce the North Carolina State Building Code (including local building codes which have superseded the State Building Code in a particular political subdivision pursuant to G.S. 143-138(e)), the ~~State Fire Marshal, through the Division of Engineering,~~ State Engineer shall:

...

(b1) Remedies. – In case any building or structure is maintained, erected, constructed, or reconstructed or its purpose altered, so that it becomes in violation of this Article or of the North Carolina State Building Code, either the local enforcement officer or the ~~State Fire Marshal~~ State Engineer or other State official with responsibility under this section may, in addition to other remedies, institute any appropriate action or proceeding to: (i) prevent the unlawful maintenance, erection, construction, or reconstruction or alteration of purpose, or overcrowding, (ii) restrain, correct, or abate the violation, or (iii) prevent the occupancy or use of the building, structure, or land until the violation is corrected. In addition to the civil remedies set out in G.S. 160A-175 and G.S. 153A-123, a county, city, or other political subdivision authorized to enforce the North Carolina State Building Code within its jurisdiction may, for the purposes stated in (i) through (iii) of this subsection, levy a civil penalty for violation of the North Carolina Fire Code of the North Carolina State Building Code, which penalty may be recovered in a civil action in the

1 nature of debt if the offender does not pay the penalty within a prescribed period of time after the
2 offender has been cited for the violation. If the ~~State Fire Marshal~~ State Engineer or other State
3 official institutes an action or proceeding under this section, a county, city, or other political
4 subdivision may not institute a civil action under this section based upon the same violation.
5 Appeals from the imposition of any remedy set forth herein, including the imposition of a civil
6 penalty by a county, city, or other political subdivision, shall be as provided in G.S. 160D-1127.
7"

8 **SECTION 3.6.** G.S. 143-139.4 reads as rewritten:

9 **"§ 143-139.4. Certain building inspections by State.**

10 (a) When a permit holder has been informed by a local inspection department that any
11 inspection has not been, or will not be, conducted within two business days after first requested,
12 the permit holder may request in writing that the ~~State Fire Marshal~~ State Engineer assign
13 personnel to conduct the inspection.

14 (b) Any written request by a permit holder to the ~~State Fire Marshal~~ State Engineer to
15 assign personnel to conduct an inspection shall be submitted to the ~~State Fire Marshal~~ State
16 Engineer, and such submission may be made electronically or by facsimile. The submission shall
17 be on a form adopted by the ~~State Fire Marshal~~ State Engineer, which shall at a minimum contain
18 all of the following:

19 ...
20 (e) Prior to making any assignment of Code-enforcement officials from the marketplace
21 pool established under G.S. 143-151.12(9)a., the ~~State Fire Marshal~~ State Engineer shall verify
22 all of the following to the ~~State Fire Marshal's~~ State Engineer's satisfaction:

23 ...
24 (4) Any other information the ~~State Fire Marshal~~ State Engineer deems relevant
25 to determining whether to assign personnel to conduct the requested
26 inspection.

27 (f) If the ~~State Fire Marshal~~ State Engineer assigns a Code-enforcement official from the
28 marketplace pool established under G.S. 143-151.12(9)a. to conduct the requested inspection,
29 the ~~State Fire Marshal~~ State Engineer shall notify the local inspection department and the local
30 inspection department shall, prior to the inspection, provide the ~~State Fire Marshal~~ State Engineer
31 with information regarding any outstanding building permits and previously conducted
32 inspections on those outstanding building permits for that property. The local inspection
33 department may also provide the ~~State Fire Marshal~~ State Engineer with information regarding
34 other properties with outstanding building permits and inspections by the same permit holder or
35 requestor.

36 (f1) Personnel assigned by the ~~State Fire Marshal~~ State Engineer to conduct inspections
37 under this section must begin conducting an inspection within two business days after assignment
38 by the ~~State Fire Marshal~~ State Engineer.

39 (g) Not later than one business day after the receipt of the report, the ~~State Fire Marshal~~
40 State Engineer shall provide an electronic copy of the report of any inspection conducted by a
41 marketplace pool Code-enforcement official under G.S. 143-151.12(9)a. to all of the following:

42 ...
43 (h) For the requested services performed by a Code-enforcement official under this
44 section, the ~~State Fire Marshal~~ State Engineer shall charge the permit holder a fee as set by the
45 ~~State Fire Marshal~~ State Engineer under G.S. 143-151.12(9)a. The fee shall be paid to the ~~State~~
46 ~~Fire Marshal~~ State Engineer no later than 30 days after completion of the requested inspection.

47 ...
48 (l) The ~~State Fire Marshal~~ State Engineer shall contract with any individual, corporation,
49 or other business entity that holds one of the applicable certificates as provided in
50 G.S. 143-151.13 to conduct inspections under this section."

51 **SECTION 3.7.** G.S. 143-140.1 reads as rewritten:

"§ 143-140.1. Alternative design construction and methods; appeals.

The Building Code Council ~~shall, by January 1, 2023, shall~~ promulgate rules, procedures, and policies for the approval of alternative designs and construction that follow the North Carolina State Building Code. The Residential Code Council shall, by January 1, 2026, promulgate rules, procedures, and policies for the approval of alternative designs and construction that follow the North Carolina State Building Code. In the event of a dispute between a local authority having jurisdiction and the designer or owner-representative regarding alternative designs and construction, and notwithstanding any other section within this Article, appeals by the designer or owner-representative on matters pertaining to alternative design construction or methods shall be heard by the Engineering and Building Codes Division of the ~~Department of Insurance, Office of Engineering and Codes.~~ The Engineering and Building Codes Division shall issue its decision regarding an appeal filed under this section within 10 business days. The ~~State Fire Marshal~~ State Engineer shall adopt rules in furtherance of this section."

SECTION 3.8. G.S. 143-141 reads as rewritten:

"§ 143-141. Appeals to Building Code Council and Residential Code Council.

(a) Method of Appeal. – Whenever any person desires to take an appeal to the responsible Code Council from the decision of a State enforcement agency relating to any matter under this Article or under the North Carolina State Building Code, the appellant shall within 30 days after the decision give written notice of appeal to the responsible Code Council through the ~~Division of Engineering and Building Codes Division of the Department of Insurance, Office of Engineering and Codes.~~ A copy of the notice of appeal shall be filed at the same time with the enforcement agency from which the appeal is taken. The chairman of the responsible Code Council shall fix a reasonable time and place for a hearing, giving reasonable notice to the appellant and to the enforcement agency. Such hearing shall be not later than the next regular meeting of the responsible Code Council. The responsible Code Council shall thereupon conduct a full and complete hearing as to the matters in controversy, after which it shall within a reasonable time give a written decision setting forth its findings of fact and its conclusions.

...

(c1) Posting on ~~State Fire Marshal~~ Office of Engineering and Codes Website – The ~~Office of the State Fire Marshal~~ Office of Engineering and Codes shall post and maintain on that portion of its website devoted to the responsible Code Council all appeal decisions, interpretations, and variations of the Code issued by the responsible Code Council within 10 business days of issuance.

...."

SECTION 3.9. G.S. 143-143.4 reads as rewritten:

"§ 143-143.4. Door lock exemption for certain businesses.

(a) Notwithstanding this Article or any other law to the contrary, any business entity licensed to sell automatic weapons as a federal firearms dealer that is in the business of selling firearms or ammunition and that operates a firing range which rents firearms and sells ammunition shall be exempt from the door lock requirements of Chapter 10 of Volume 1 of the North Carolina State Building Code when issued a permit to that effect by the ~~Office of the State Fire Marshal~~ Office of Engineering and Codes in accordance with this section.

(b) The ~~Office of the State Fire Marshal~~ Office of Engineering and Codes shall issue a permit to a business entity specified in subsection (a) of this section for an exemption from the door lock requirements of Chapter 10 of Volume 1 of the North Carolina State Building Code if all of the following conditions are met:

...

(2) The building or facility in which business is conducted is equipped with an approved smoke, fire, and break-in alarm system installed and operated in accordance with rules adopted by the ~~Office of the State Fire Marshal~~ Office of Engineering and Codes. An approved smoke, fire, or break-in alarm system

1 does not have to include an automatic door unlocking mechanism triggered
2 when the smoke, fire, or break-in alarm system is triggered.

3 ...

4 (5) Payment of a permit fee of five hundred dollars (\$500.00) to the ~~Office of the~~
5 ~~State Fire Marshal~~ Office of Engineering and Codes.

6 (c) The ~~Office of the State Fire Marshal~~ Office of Engineering and Codes shall file a copy
7 of the permit issued in accordance with subsection (b) of this section with all local law
8 enforcement and fire protection agencies that provide protection for the business entity.

9 (d) The ~~Office of the State Fire Marshal~~ Office of Engineering and Codes shall be
10 responsible for any inspections necessary for the issuance of permits under this section and, in
11 conjunction with local inspection departments, shall be responsible for periodic inspections to
12 ensure compliance with the requirements of this section. The ~~Office of the State Fire Marshal~~
13 Office of Engineering and Codes may contract with local inspection departments to conduct
14 inspections under this subsection.

15 (e) The ~~Office of the State Fire Marshal~~ Office of Engineering and Codes shall revoke a
16 permit issued under this section upon a finding that the requirements for the original issuance of
17 the permit are not being complied with.

18 (f) Appeals of decisions of the ~~Office of the State Fire Marshal~~ Office of Engineering
19 and Codes regarding the issuance or revocation of permits under this section shall be in
20 accordance with Chapter 150B of the General Statutes.

21 ...

22 (i) The ~~Office of the State Fire Marshal~~ Office of Engineering and Codes shall adopt
23 rules to implement this section."

24 **SECTION 3.10.** G.S. 143-143.7 reads as rewritten:

25 **"§ 143-143.7. Elevator safety requirements for certain residential rental accommodations.**

26 ...

27 (c) Upon installation of a door baffle, door space guard, door, or gate meeting the
28 requirements of subdivision (1) or (2) of subsection (b) of this section, the landlord shall provide
29 the ~~State Fire Marshal~~ State Engineer with one of the following:

30 (1) A statement signed by a professional elevator installer certifying installation
31 of the door baffle, door space guard, door, or gate meeting the requirements
32 of subsection (b) of this section.

33 (2) A receipt for purchase of the door baffle, door space guard, door, or gate
34 meeting the requirements of subsection (b) of this section, a signed statement
35 by the landlord stating the date of installation, and photographs depicting the
36 door baffle, door space guard, door, or gate as installed.

37"

38
39 **PART IV. NORTH CAROLINA MANUFACTURED HOUSING BOARD AND**
40 **UNIFORM STANDARDS CODE FOR MANUFACTURED HOMES CONFORMING**
41 **CHANGES**

42 **SECTION 4.1.** G.S. 143-143.8 reads as rewritten:

43 **"§ 143-143.8. Purpose.**

44 The General Assembly finds that manufactured homes have become a primary housing
45 resource for many of the citizens of North Carolina. The General Assembly finds further that it
46 is the responsibility of the manufactured home industry to provide homes which are of reasonable
47 quality and safety and to offer warranties to buyers that provide a means of remedying quality
48 and safety defects in manufactured homes. The General Assembly also finds that it is in the public
49 interest to provide a means for enforcing such warranties.

50 Consistent with these findings and with the legislative intent to promote the general welfare
51 and safety of manufactured home residents in North Carolina, the General Assembly finds that

the most efficient and economical way to assure safety, quality and responsibility is to require the licensing and bonding of all segments of the manufactured home industry. The General Assembly also finds that it is reasonable and proper for the manufactured home industry to cooperate with the ~~Office of the State Fire Marshal~~, Office of Engineering and Codes, through the establishment of the North Carolina Manufactured Housing Board, to provide for a comprehensive framework for industry regulations."

SECTION 4.2. G.S. 143-143.9 reads as rewritten:

"§ 143-143.9. Definitions.

The following definitions apply in this Part:

...

(3) Code. – Engineering standards entitled State of North Carolina Regulations for Manufactured Homes adopted by the ~~State Fire Marshal~~ State Engineer.

...."

SECTION 4.3.(a) G.S. 143-143.10 reads as rewritten:

"§ 143-143.10. Manufactured Housing Board created; membership; terms; meetings.

(a) There is created the North Carolina Manufactured Housing Board within the Department. The Board shall be composed of 11 members as follows:

(1) The ~~State Fire Marshal~~ State Engineer or the ~~State Fire Marshal's~~ State Engineer's designee.

...

The ~~State Fire Marshal~~ State Engineer or the ~~State Fire Marshal's~~ State Engineer's designee shall chair the Board. The Governor shall appoint to the Board the manufactured home manufacturer and the manufactured home dealer. The General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121 shall appoint to the Board the representative of the banking and finance industry, the employee of a HUD-approved housing counseling agency, and the representative of the insurance industry. The General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121 shall appoint to the Board the manufactured home supplier, the accountant, and the set-up contractor. The ~~State Fire Marshal~~ State Engineer shall appoint two representatives of the general public. Except for the representatives from the general public and the persons appointed by the General Assembly, each member of the Board shall be appointed by the appropriate appointing authority from a list of nominees submitted to the appropriate appointing authority by the Board of Directors of the North Carolina Manufactured and Modular Homebuilders Association. At least three nominations shall be submitted for each position on the Board. The members of the Board shall be residents of the State.

The members of the Board shall serve for terms of three years. In the event of any vacancy of a position appointed by the Governor or ~~State Fire Marshal~~, State Engineer, the appropriate appointing authority shall appoint a replacement in the same manner as provided for the original appointment to serve the remainder of the unexpired term. Vacancies in appointments made by the General Assembly shall be filled in accordance with G.S. 120-122. In the event of any vacancy, the appropriate appointing authority shall appoint a replacement to serve the remainder of the unexpired term. ~~Such~~ The appointment shall be made in the same manner as provided for the original appointment. No member of the Board shall serve more than two consecutive, three-year terms.

The members of the Board designated in subdivisions (8), (9), and (10) of this subsection shall have no current or previous financial interest connected with the manufactured housing industry. No member of the Board shall participate in any proceeding before the Board involving that member's own business.

Each member of the Board, except the ~~State Fire Marshal~~ State Engineer and any other State employee, shall receive per diem and allowances as provided with respect to occupational

licensing boards by G.S. 93B-5. Fees collected by the Board under this Article shall be credited to the Insurance Regulatory Fund created under G.S. 58-6-25.

...."

SECTION 4.3.(b) The current members of the Manufactured Housing Board appointed pursuant to G.S. 143-143.10 affected by this act, may continue to serve until the expiration of their terms. Upon the expiration of the term of each current member affected by this act, the State Engineer shall appoint a successor in accordance with the provisions of G.S. 143-143.10, as amended by subsection (a) of this section.

SECTION 4.4. G.S. 143-143.15 reads as rewritten:

"§ 143-143.15. Set-up requirements.

(a) Manufactured homes shall be set up in accordance with the standards entitled State of North Carolina Regulations for Manufactured Homes adopted by the ~~State Fire Marshal~~State Engineer.

...."

SECTION 4.5. G.S. 143-143.54 reads as rewritten:

"§ 143-143.54. Audits and record inspection.

All financial records required by this Part shall be subject to audit for cause and to random audit at the discretion of and by the Board, the ~~State Fire Marshal~~State Engineer, or the Attorney General. The Board may inspect these records periodically, without prior notice and may also inspect these records whenever the Board determines that the records are pertinent to an investigation of any complaint against a licensee. The dealer shall provide written authorization to the bank that holds the escrow or trust account to release any and all requested information relative to the account to the parties authorized under this section to inspect those records."

SECTION 4.6. G.S. 143-146 reads as rewritten:

"§ 143-146. Statement of policy; rule-making power.

(a) Manufactured homes, because of the manner of their construction, assembly and use and that of their systems, components and appliances (including heating, plumbing and electrical systems) like other finished products having concealed vital parts may present hazards to the health, life and safety of persons and to the safety of property unless properly manufactured. In the sale of manufactured homes, there is also the possibility of defects not readily ascertainable when inspected by purchasers. It is the policy and purpose of this State to provide protection to the public against those possible hazards, and for that purpose to forbid the manufacture and sale of new manufactured homes, which are not so constructed as to provide reasonable safety and protection to their owners and users. This Article provides to the ~~State Fire Marshal~~State Engineer all necessary authority to enable the State to obtain approval as a State Administrative Agency under the provisions of the Act.

...

(e) The ~~State Fire Marshal~~State Engineer may adopt rules to carry out the provisions of the Act and this Article, including rules for consumer complaint procedures and rules for the enforcement of the standards and regulations established and adopted by HUD under the Act."

SECTION 4.7. G.S. 143-148 reads as rewritten:

"§ 143-148. Certain structures excluded from coverage.

The ~~State Fire Marshal~~State Engineer may by rule provide for the exclusion of certain structures by certification in accordance with the Act."

SECTION 4.8. G.S. 143-151 reads as rewritten:

"§ 143-151. Penalties.

(a) Any person who is found by the ~~State Fire Marshal~~State Engineer to have violated the provisions of the Act, this Article, or any rules adopted under this Article, shall be liable for a civil penalty not to exceed the amount set by 24 C.F.R. § 3282.10 for each violation. Each violation shall constitute a separate violation for each manufactured home or for each failure or refusal to allow or perform an act required by the Act, this Article, or any rules adopted under

1 this Article. The maximum civil penalty may not exceed the amount set by 24 C.F.R. § 3282.10
2 for any related series of violations occurring within one year after the date of the first violation.
3 In determining the amount of the penalty, the ~~State Fire Marshal~~ State Engineer shall consider
4 the degree and extent of harm caused by the violation, the amount of money that inured to the
5 benefit of the violator as a result of the violation, whether the violation was willful, and the prior
6 record of the violator in complying or failing to comply with laws, rules, or orders applicable to
7 the violator. The clear proceeds of civil penalties provided for in this section shall be remitted to
8 the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

9"

10 **SECTION 4.9.** G.S. 143-151.1 reads as rewritten:

11 **"§ 143-151.1. Enforcement.**

12 The ~~State Fire Marshal~~ State Engineer may initiate any appropriate action or proceeding to
13 prevent, restrain, or correct any violation of the Act, this Article, or any rules adopted under this
14 Article. The ~~State Fire Marshal~~ State Engineer, or any of his deputies or employees, upon
15 showing proper credentials and in the discharge of their duties under this Article, or the Act, is
16 authorized at reasonable hours and without advance notice to enter and inspect all factories,
17 warehouses, or establishments in this State in which manufactured homes are manufactured,
18 stored or held for sale."

19 **SECTION 4.10.(a)** G.S. 143-151.2 reads as rewritten:

20 **"§ 143-151.2. Fees.**

21 (a) The ~~State Fire Marshal~~ State Engineer shall establish a monitoring inspection fee in
22 an amount required by the Secretary of HUD. This monitoring inspection fee shall be an amount
23 paid by each manufactured home manufacturer in this State for each manufactured home
24 produced by the manufacturer in this State.

25"

26 **SECTION 4.10.(b)** The monitoring inspection fee established pursuant to
27 G.S. 143-151.2 shall not be affected by this act, and shall remain in effect until amended by the
28 State Engineer in an amount required by the Secretary of HUD.

29 **SECTION 4.11.** G.S. 143-151.3 reads as rewritten:

30 **"§ 143-151.3. Reports.**

31 Each manufacturer, distributor, and dealer of manufactured homes shall establish and
32 maintain such records, make such reports, and provide such information as the ~~State Fire Marshal~~
33 State Engineer or the Secretary of HUD may reasonably require to be able to determine whether
34 the manufacturer, distributor, or dealer has acted or is acting in compliance with this Article, or
35 the Act and shall, upon request of a person designated by the ~~State Fire Marshal~~ State Engineer
36 or the Secretary of HUD, permit the person to inspect appropriate books, papers, records and
37 documents relevant to determining whether the manufacturer, distributor, or dealer has acted or
38 is acting in compliance with this Article or the Act, and any rules adopted by the ~~State Fire~~
39 Marshal State Engineer under this Article."

40 **SECTION 4.12.** G.S. 143-151.4 reads as rewritten:

41 **"§ 143-151.4. Notification of defects and correction procedures.**

42 Every manufacturer of manufactured homes shall provide for notification and correction
43 procedures in any manufactured home produced by the manufacturer in accordance with the Act,
44 this Article, and any rules adopted by the ~~State Fire Marshal~~ State Engineer."

45 **SECTION 4.13.** G.S. 143-151.5 reads as rewritten:

46 **"§ 143-151.5. Prohibited acts.**

47 (a) No person shall:

48 ...

49 (5) Fail to comply with a rule adopted or an order issued by the ~~State Fire Marshal~~
50 State Engineer under this Article.

51"

**PART V. NORTH CAROLINA CODE OFFICIALS QUALIFICATION BOARD
CONFORMING CHANGES**

SECTION 5.1. G.S. 143-151.8, as amended by Section 5.2(i) of S.L. 2024-49, reads as rewritten:

"§ 143-151.8. Definitions.

(a) The following definitions apply in this Article:

...

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

...

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

...

(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:

...

(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~~ Office of Engineering and Codes to comply with the Code under the conditions or circumstances set forth in the ~~Office of the State Fire Marshal's~~ Office of Engineering and Codes' decision for that appeal.

...

(5) Refusing to implement or adhere to an interpretation of the Building Code issued by the Building Code Council or the ~~Office of the State Fire Marshal~~ Office of Engineering and Codes.

...."

SECTION 5.2.(a) G.S. 143-151.9 reads as rewritten:

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

(a) There is hereby established the North Carolina Code Officials Qualification Board in the ~~Department of Insurance~~ Office of Engineering and Codes of the Department of Labor. 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 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 Engineering and Building Codes Division ~~Division of Engineering and Building Codes in of the Department of Insurance; and, Office of Engineering and Code.~~

(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.~~ State Engineer.

...."

SECTION 5.2.(b) The current members of the North Carolina Code Officials Qualification Board appointed pursuant to G.S. 143-151.9 affected by this act, may continue to serve until the expiration of the member's term. Upon the expiration of the current member's term, the State Engineer shall appoint a successor as provided in G.S. 143-151.9, as amended by subsection (a) of this section.

SECTION 5.3.(a) G.S. 143-151.12, as amended by Section 3.4(a) of S.L. 2024-49, reads as rewritten:

"§ 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:

...

(9) Establish within the ~~Office of the State Fire Marshal~~ Office of Engineering and Codes a marketplace pool of qualified Code-enforcement officials available for the following purposes:

a. When requested by the ~~State Fire Marshal,~~ State Engineer, to assist in the discharge of the ~~State Fire Marshal's~~ State Engineer's duty under G.S. 143-139 to supervise, administer, and enforce the North Carolina State Building Code. The ~~State Fire Marshal~~ State Engineer 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~~ State Engineer 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 Marshal~~ State Engineer shall have no power or authority to fix or collect fees incurred by local inspection departments under sub-subdivision b. of this subdivision.

...."

SECTION 5.3.(b) Fees fixed for services performed by Code-enforcement officials under G.S. 143-151.12(9)a. affected by this act, shall not be affected by this act until amended by the State Engineer pursuant to G.S. 143-151.12(9)a., as amended by subsection (a) of this section, in accordance with Chapter 150B of the General Statutes.

1 **SECTION 5.4.** G.S. 143-151.13, and amended by Section 5.2(j) of S.L. 2024-49,
2 reads as rewritten:

3 **"§ 143-151.13. Required standards and certificates for Code-enforcement officials.**

4 ...

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

9 **SECTION 5.5.** G.S. 143-151.19 reads as rewritten:

10 **"§ 143-151.19. Administration.**

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

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

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

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

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

27 **SECTION 5.6.** G.S. 143-151.21 reads as rewritten:

28 **"§ 143-151.21. Disposition of fees.**

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

31 32 **PART VI. NORTH CAROLINA HOME INSPECTOR LICENSURE BOARD** 33 **CONFORMING CHANGES**

34 **SECTION 6.1.** G.S. 143-151.46 reads as rewritten:

35 **"§ 143-151.46. North Carolina Home Inspector Licensure Board established; members;**
36 **terms; vacancies.**

37 (a) Membership. — The North Carolina Home Inspector Licensure Board is established
38 in the ~~Department of Insurance~~ Office of Engineering and Codes. The Board shall be composed
39 of the ~~State Fire Marshal~~ State Engineer or the ~~State Fire Marshal's~~ State Engineer's designee and
40 seven additional members appointed as follows:

41 "

42 **SECTION 6.2.** G.S. 143-151.63 reads as rewritten:

43 **"§ 143-151.63. Administration.**

44 (a) The ~~Engineering and Building Codes Division of~~ Division of Engineering and
45 ~~Building Code in the Department of Insurance~~ Office of Engineering and Codes shall provide
46 clerical and other staff services required by the Board, and shall administer and enforce all
47 provisions of this Article and all rules adopted under this Article, subject to the direction of the
48 Board. The Board shall reimburse the Division for its services to the Board.

49 (b) Any monies received by the Board pursuant to this Article shall be deposited in the
50 State treasury to the account of the Board and shall be used to administer this Article.

(c) The books and records of the Board are subject to the oversight of the State Auditor, as provided in G.S. 93B-4."

PART VII. LOCAL GOVERNMENT LAND DEVELOPMENT AND CODE ENFORCEMENT CONFORMING CHANGES

SECTION 7.1. G.S. 160D-402, as amended by Section 1.3(a) of S.L. 2024-49, reads as rewritten:

"§ 160D-402. Administrative staff.

...

(d) Financial Support. – The local government may appropriate for the support of the staff any funds that it deems necessary. It shall have power to fix reasonable fees for support, administration, and implementation of programs authorized by this Chapter, and all such fees shall be used for no other purposes. When an inspection, for which the permit holder has paid a fee to the local government, is performed by a marketplace pool Code-enforcement official upon request of the ~~State Fire Marshal~~State Engineer under G.S. 143-151.12(9)a., the local government shall promptly return to the permit holder the fee collected by the local government for such inspection. This subsection applies to the following types of inspection: plumbing, electrical systems, general building restrictions and regulations, heating and air-conditioning, and the general construction of buildings."

SECTION 7.2. G.S. 160D-910 reads as rewritten:

"§ 160D-910. Manufactured homes.

...

(g) A local government may require by ordinance that manufactured homes be installed in accordance with the Set-Up and Installation Standards adopted by the ~~State Fire Marshal~~State Engineer; provided, however, a local government shall not require a masonry curtain wall or masonry skirting for manufactured homes located on land leased to the homeowner."

SECTION 7.3. G.S. 160D-1102 reads as rewritten:

"§ 160D-1102. Building code administration.

...

(b) In the event that any local government fails to provide inspection services or ceases to provide inspection services, the ~~State Fire Marshal~~State Engineer shall arrange for the provision of inspection services, either through personnel employed by the ~~Office of the State Fire Marshal~~Office of Engineering and Codes or another division of the ~~Department of Insurance~~Department of Labor or through an arrangement with other units of government. In either event, the ~~State Fire Marshal~~State Engineer has and may exercise within the local government's planning and development regulation jurisdiction all powers made available to the governing board with respect to building inspection under this Article and Part 1 of Article 20 of Chapter 160A of the General Statutes. Whenever the ~~State Fire Marshal~~State Engineer has intervened in this manner, the local government may assume provision of inspection services only after giving the ~~State Fire Marshal~~State Engineer two years' written notice of its intention to do so; however, the ~~State Fire Marshal~~State Engineer may waive this requirement or permit assumption at an earlier date upon finding that an earlier assumption will not unduly interfere with arrangements made for the provision of those services.

...."

SECTION 7.4. G.S. 160D-1114 reads as rewritten:

"§ 160D-1114. Appeals of stop orders.

(a) The owner or builder may appeal from a stop order involving alleged violation of the North Carolina State Building Code or any approved local modification thereof to the ~~State Fire Marshal~~State Engineer or his or her designee within a period of five days after the order is issued. Notice of appeal shall be given in writing to the ~~State Fire Marshal~~State Engineer or his or her designee, with a copy to the local inspector. The ~~State Fire Marshal~~State Engineer or his or her

designee shall promptly conduct an investigation, and the appellant and the inspector shall be permitted to submit relevant evidence. The ~~State Fire Marshal~~ State Engineer or his or her designee shall as expeditiously as possible provide a written statement of the decision setting forth the facts found, the decision reached, and the reasons for the decision. Pending the ruling by the ~~State Fire Marshal~~ State Engineer or his or her designee on an appeal, no further work shall take place in violation of a stop order. In the event of dissatisfaction with the decision, the person affected shall have the following options:

(1) Appealing to the Building Code Council or Residential Code Council.

(2) Appealing to the superior court as provided in G.S. 143-141.

(b) The owner or builder may appeal from a stop order involving alleged violation of a local development regulation as provided in G.S. 160D-405."

SECTION 7.5. G.S. 160D-1126 reads as rewritten:

"§ 160D-1126. Records and reports.

The inspection department shall keep complete and accurate records in convenient form of all applications received, permits issued, inspections and reinspections made, defects found, certificates of compliance or occupancy granted, and all other work and activities of the department. These records shall be kept in the manner and for the periods prescribed by the Department of Natural and Cultural Resources. Periodic reports shall be submitted to the governing board and to the ~~State Fire Marshal~~ State Engineer as they shall by ordinance, rule, or regulation require."

SECTION 7.6. G.S. 160D-1127 reads as rewritten:

"§ 160D-1127. Appeals.

Unless otherwise provided by law, appeals from any order, decision, or determination by a member of a local inspection department pertaining to the North Carolina State Building Code or other State building laws shall be taken to the ~~State Fire Marshal~~ State Engineer or the ~~State Fire Marshal's~~ State Engineer's designee or other official specified in G.S. 143-139 by filing a written notice with the ~~State Fire Marshal~~ State Engineer and with the inspection department within a period of 10 days after the order, decision, or determination. Further appeals may be taken to the Building Code Council or Residential Code Council or to the courts as provided by law."

PART VIII. MISCELLANEOUS CONFORMING CHANGES

SECTION 8.1. G.S. 66-25 reads as rewritten:

"§ 66-25. Acceptable listings as to safety of goods.

(a) All electrical materials, devices, appliances, and equipment shall be evaluated for safety and suitability for intended use. Except as provided in subsections (b) and (c) of this section, this evaluation shall be conducted in accordance with nationally recognized standards and shall be conducted by a qualified testing laboratory. The ~~State Fire Marshal~~ State Engineer, through the Engineering and Building Codes Division ~~Engineering Division~~ of the ~~Department of Insurance~~ Office of Engineering and Codes, shall implement the procedures necessary to approve suitable national standards and to approve suitable qualified testing laboratories. The ~~State Fire Marshal~~ State Engineer may assign his authority to implement the procedures for specific materials, devices, appliances, or equipment to other agencies or bodies when they would be uniquely qualified to implement those procedures.

In the event that the ~~State Fire Marshal~~ State Engineer determines that electrical materials, devices, appliances, or equipment in question cannot be adequately evaluated through the use of approved national standards or by approved qualified testing laboratories, the Engineering and Building Codes Division ~~Engineering Division~~ of the ~~Department of Insurance~~ Office of Engineering and Codes shall specify any alternative evaluations which safety requires.

The ~~Engineering and Building Codes Division~~ ~~Engineering Division~~ of the ~~Department of Insurance~~ ~~Office of Engineering and Codes~~ shall keep in file, where practical, copies of all approved national standards and resumes of approved qualified testing laboratories.

...."

SECTION 8.2. G.S. 115C-525 reads as rewritten:

"§ 115C-525. Fire prevention.

(a) Duty of Principal Regarding Fire Hazards. – The principal of every public school in the State shall have the following duties regarding fire hazards during periods when he is in control of a school:

...

(2) Every principal shall make certain that no electrical wiring shall be installed within any school building or structure or upon the premises and that no alteration or addition shall be made in any existing wiring, except with the authorization of the superintendent. Any such work shall be performed by a licensed electrical contractor, or by a maintenance electrician regularly employed by the board of education and approved by the ~~State Fire Marshal~~ State Engineer.

...

(b) Inspection of Schools for Fire Hazards; Removal of Hazards. – Every public school building in the State shall be inspected a minimum of two times during the year in accordance with the following plan: Provided, that the periodic inspections herein required shall be at least 120 days apart:

(1) Each school building shall be inspected to make certain that none of the fire hazards enumerated in G.S. 115C-525(a)(1) through (5) exist, and to ensure that the building and all heating, mechanical, electrical, gas, and other equipment and appliances are properly installed and maintained in a safe and serviceable manner as prescribed by the North Carolina Building Code. Following each inspection, the persons making the inspection shall furnish to the principal of the school a written report of conditions found during inspection, upon forms furnished by the ~~State Fire Marshal~~ State Engineer, and the persons making the inspection shall also furnish a copy of the report to the superintendent of schools; the superintendent shall keep such copy on file for a period of three years. In addition to the periodic inspections herein required, any alterations or additions to existing school buildings or to school building utilities or appliances shall be inspected immediately following completion.

...

(3) It shall be the duty of the ~~State Fire Marshal~~ State Engineer, the Superintendent of Public Instruction, and the State Board of Education to prescribe any additional rules and regulations which they may deem necessary in connection with such inspections and reports for the reduction of fire hazards and protection of life and property in public schools.

...."

PART IX. MISCELLANEOUS PROVISIONS RELATED TO THE TRANSITION OF VARIOUS DUTIES, BOARDS, COUNCILS, AND DIVISIONS TO THE OFFICE OF ENGINEERING AND CODES

SECTION 9.1. Notwithstanding G.S. 95-280, as enacted by Section 1.1 of this act, until the General Assembly confirms an independent State Engineer as provided in G.S. 95-280, as enacted by Section 1.1 of this act, the State Fire Marshal shall continue to have the same powers under Article 78A of Chapter 58 of the General Statutes prior to the effective date of this

act for the purpose of executing the laws of this State that are being assigned to the State Engineer and the Office of Engineering and Codes by the General Assembly by this act.

SECTION 9.2 All employees of the Office of the State Fire Marshal affected by the transfer of a Board, Council, or Division enumerated within G.S. 95-280(b), as enacted by Section 1.1 of this act, shall continue as employees of the Office of the State Fire Marshal at their option or until further action is taken by the Department of Labor to transfer employees from the Office of the State Fire Marshal and in accordance with law. All programs and functions conducted by the Office of the State Fire Marshal shall continue without any reduction in funds, responsibilities, or administrative support, including, but not limited to, budgetary, human resources, information technology, and legal, until further action is taken by the Department of Labor to transfer programs and functions from the Office of the State Fire Marshal and in accordance with law.

SECTION 9.3. No pending action or proceeding, brought by or against the Office of the State Fire Marshal, or any Board, Council, or Division enumerated in G.S. 95-280(b), as enacted by Section 1.1 of this act, shall be affected by any provision of this act. Any business or other matter undertaken or commanded by any program or contract by the Office of the State Fire Marshal, or any Board, Council, or Division transferred by this act and pertaining to or connected with the functions, powers, obligations, and duties set forth herein, which are pending on July 1, 2026, may be conducted and completed in the same manner and under the same terms and conditions and with the same effect as if conducted and completed by the original program, the Office of the State Fire Marshal, or any Board, Council, or Division transferred by this act.

SECTION 9.4. The transfer provided for under this act shall not affect any ongoing investigation in effect on July 1, 2026, conducted by the Office of the State Fire Marshal, or any Board, Council, or Division enumerated in G.S. 95-280(b), as enacted by Section 1.1 of this act. Prosecutions for offenses or violations committed before July 1, 2026, are not abated or affected by this act.

SECTION 9.5. The transfer provided for under this act shall not affect any ongoing order in effect on July 1, 2026, issued by the Office of the State Fire Marshal, or any Board, Council, or Division enumerated in G.S. 95-280(b), as enacted by Section 1.1 of this act.

SECTION 9.6. Rules and forms adopted by the Office of the State Fire Marshal, or any Board, Council, or Division enumerated in G.S. 95-280(b), as enacted by Section 1.1. of this act., in effect on July 1, 2026, shall remain in effect until amended or repealed, by the responsible Board, Council, or Division enumerated in G.S. 95-280(b), as enacted by Section 1.1. of this act, as necessary.

SECTION 9.7. Within the Department of Labor General Fund (Budget Code 13800), the Office of State Budget and Management shall establish a new budget fund. OSBM shall transfer both of the following from the Office of the State Fire Marshal (Budget Fund 101612) to the new fund:

- (1) All funds supporting the Office of Engineering and Codes, established by Section 1.1. of this act.
- (2) All positions and associated costs in the Office of Engineering and Codes, established by Section 1.1. of this act.

SECTION 9.8. The Office of State Budget and Management shall, in conjunction with the Office of Engineering and Codes (OEC), adjust OEC's base budget for each fiscal year of the 2025-2027 fiscal biennium to use proceeds from the insurance regulatory charge established under G.S. 58-6-25, as amended by Section 2.1. of this act., to reimburse the General Fund as authorized by G.S. 58-6-25(d)(12), as enacted by Section 2.1 of this act.

PART X. SEVERABILITY CLAUSE AND EFFECTIVE DATE

SEVERABILITY CLAUSE

1 **SECTION 10.1.** If any section or provision of this act is declared unconstitutional
2 or invalid by the courts, it does not affect the validity of this act as a whole or any part other than
3 the part declared to be unconstitutional or invalid.
4

5 **EFFECTIVE DATE**

6 **SECTION 10.2.** This act becomes effective July 1, 2026.