



NORTH CAROLINA GENERAL ASSEMBLY

2025 Session

Legislative Fiscal Note

Short Title: Building Industry Efficiency Act of 2025.
Bill Number: House Bill 661 (Third Edition)
Sponsor(s): Rep. Brody, Rep. Bell, Rep. Cunningham, and Rep. Zenger

SUMMARY TABLE

FISCAL IMPACT OF HB 661 (v.3)

	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>	<u>FY 2028-29</u>	<u>FY 2029-30</u>
Local Impact					
Local Revenue	-	-	-	-	-
Less Local Expenditures	-	-	-	-	-
NET LOCAL IMPACT	No Estimate Available-See Fiscal Analysis Section				

FISCAL IMPACT SUMMARY

Section 1.1 has a fiscal impact because it prohibits local inspection departments from charging fees for certain inspection cancellations.

Section 3.3 has a fiscal impact because it would remove the requirement that a permit be obtained by those providing floor covering or painting services.

Section 4 has a fiscal impact because it establishes a fee that local governments can assess for processing residential changeout work certification forms.

FISCAL ANALYSIS

The sections below discuss the fiscal analysis of each section of the bill that has a fiscal impact.

Inspection Cancellations. The bill prohibits local governments from charging a cancellation fee if the permit holder cancels a scheduled inspection more than one business day before the scheduled inspection. The volume of cancellations made past one business day is unknown and current fee rates that local inspection departments assess vary by jurisdiction, and aggregated data is not available. FRD estimates this section of the bill will result in an unknown, but likely minimal decrease in local government revenue.

Remove Requirement for Permits for Certain Trades. The bill removes the requirement that a permit be obtained by those providing floor covering or painting services. The volume of permits



obtained by those providing these services is unknown, but this section of the bill will reduce local government revenues by some unknown amount.

Residential Changeout Work Certification Forms. The bill establishes an inspection exemption for single residence HVAC appliance replacement. Instead of requiring that a local government building inspector visit the site to inspect for Code compliance, the local government could instead just review a certification completed by the licensed contractor performing the work. Local governments are authorized to charge a \$20 fee for administrative costs for this purpose. The number of those persons that would use this certification form is unknown. Therefore, this section of the bill will increase local government revenues by some unknown, but likely minimal, amount.

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

Various N.C. local government inspection departments, NC Department of Revenue.

LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

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