

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

S

2

SENATE BILL 719
Insurance Committee Substitute Adopted 5/13/91

Short Title: Improve Regulation of Contractors.

(Public)

Sponsors:

Referred to:

April 22, 1991

1 A BILL TO BE ENTITLED
2 AN ACT TO DECREASE THE PROJECT COST MINIMUM FOR APPLICABILITY
3 OF CONTRACTORS LICENSURE REQUIREMENTS, TO CLARIFY
4 EXEMPTION PROVISIONS, AND TO REQUIRE EVIDENCE OF INSURANCE
5 COVERAGE TO BE DEMONSTRATED.

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 87-1 reads as rewritten:

8 "**§ 87-1. 'General contractor' defined; exceptions.**

9 For the purpose of this Article any person or firm or corporation who for a fixed
10 price, commission, fee, or wage, undertakes to bid upon or to construct or who
11 undertakes to superintend or manage, on his own behalf or for any person, firm, or
12 corporation that is not licensed as a general contractor pursuant to this Article, the
13 construction of any building, highway, public utilities, grading or any improvement or
14 structure where the cost of the undertaking is ~~forty-five~~thirty thousand dollars ~~(\$45,000)~~
15 (\$30,000) or more, or undertakes to erect a North Carolina labeled manufactured
16 modular building meeting the North Carolina State Building Code, shall be deemed to
17 be a 'general contractor' engaged in the business of general contracting in the State of
18 North Carolina.

19 This section shall not apply to persons or firms or corporations furnishing or erecting
20 industrial equipment, power plan equipment, radial brick chimneys, and monuments.

21 This section shall not apply to any person or firm or corporation who constructs or
22 alters a building on land owned by that person, firm or corporation ~~when provided such~~
23 ~~building is intended for use by that person, firm, or corporation after completion. solely for~~

1 occupancy by that person and his family, firm, or corporation after completion; and
2 provided further that, if such building is not occupied solely by such person and his
3 family, firm, or corporation for at least 12 months following completion, it shall be
4 presumed that the person, firm, or corporation did not intend such building solely for
5 occupancy by that person and his family, firm, or corporation.

6 This section shall not apply to any person engaged in the business of farming who
7 constructs or alters a building on land owned by that person and used in the business of
8 farming, when such building is intended for use by that person after completion, and
9 provided that the cost of the construction or alteration is less than forty-five thousand
10 dollars (\$45,000)."

11 Sec. 2. G.S. 87-14 reads as rewritten:

12 **"§ 87-14. Regulations as to issue of building permits.**

13 Any person, firm or corporation, upon making application to the building inspector
14 or such other authority of any incorporated city, town or county in North Carolina
15 charged with the duty of issuing building or other permits for the construction of any
16 building, highway, sewer, grading or any improvement or structure where the cost
17 thereof is to be ~~forty-five~~ thirty thousand dollars ~~(\$45,000)~~ (\$30,000) or more, shall,
18 before he be entitled to the issuance of such permit, furnish satisfactory proof to such
19 inspector or authority that he or another person contracting to superintend or manage the
20 construction is duly licensed under the terms of this Article to carry out or superintend
21 the same, and that he has paid the license tax required by the Revenue Act of the State
22 of North Carolina then in force so as to be qualified to bid upon or contract for the work
23 for which the permit has been ~~applied~~; applied, and that he has in effect general liability
24 insurance if he employs three or more employees and Workers' Compensation insurance
25 as required by Chapter 97 of the General Statutes; and it shall be unlawful for such
26 building inspector or other authority to issue or allow the issuance of such building
27 permit unless and until the applicant has furnished evidence that he is either exempt
28 from the provisions of this Article or is duly licensed under this Article to carry out or
29 superintend the work for which permit has been applied; and further, that the applicant
30 has paid the license tax required by the State Revenue Act then in force so as to be
31 qualified to bid upon or contract for the work covered by the permit; and further, that
32 the applicant has in effect general liability insurance if he employs three or more
33 employees and Workers' Compensation insurance as required by Chapter 97 of the
34 General Statutes. and such ~~Any~~ building inspector, or other such authority, violating
35 inspector or other such authority who is subject to and violates the terms of this section
36 shall be guilty of a misdemeanor and subject to a fine of not more than fifty dollars
37 (\$50.00)."

38 Sec. 3. This act is effective upon ratification and applies to bids made,
39 projects undertaken, or permits applied for on or after that date, except that any person,
40 firm, or corporation that, upon the effective date of this act, owns land on which the
41 person, firm, or corporation intends to construct multifamily residential dwelling units
42 not intended for occupancy by the person, firm, or corporation after completion shall
43 have one year from the effective date to obtain a building permit and begin construction
44 of the units.