

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1999**

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HOUSE BILL 1256

Short Title: Study Residential Contractor Licensing Requirements. (Public)

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Sponsors: Representative Earle.

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Referred to: Rules, Calendar and Operations of the House.

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April 15, 1999

A BILL TO BE ENTITLED

1 AN ACT TO CREATE A LEGISLATIVE STUDY COMMISSION TO STUDY THE  
2 NEED FOR INCREASED REGULATION OF THE HOMEBUILDING  
3 INDUSTRY.  
4

5 The General Assembly of North Carolina enacts:

6 Section 1. The Homebuilding Industry Study Commission is created. The  
7 Commission shall consist of 15 members to be appointed as follows:

- 8 (1) Three members of the House of Representatives appointed by the  
9 Speaker of the House of Representatives.  
10 (2) Two members of the public appointed by the Speaker of the House of  
11 Representatives; one of whom shall be a licensed general contractor  
12 specializing in residential construction, and one of whom shall be a  
13 licensed home inspector.  
14 (3) Three Senators appointed by the President Pro Tempore of the Senate.  
15 (4) Two members of the public appointed by the President Pro Tempore of  
16 the Senate; one of whom shall be a licensed general contractor and one  
17 of whom shall be either a registered architect with a specialty in  
18 residential design or a structural engineer.  
19 (5) Five members of the public to be appointed by the Governor; one of  
20 whom shall be a local code enforcement official, one of whom shall

1 have expertise in residential construction issues but who is not engaged  
2 in the residential construction business, and three of whom shall  
3 represent the public at large.

4 Section 2. The Speaker of the House of Representatives shall designate one  
5 Representative as Cochair and the President Pro Tempore of the Senate shall designate  
6 one Senator as Cochair of the Commission.

7 Section 3. The Commission shall:

- 8 (1) Investigate the nature and number of complaints being lodged against  
9 residential contractors by home buyers.
- 10 (2) Study the limitations on the State Licensing Board for General  
11 Contractors to adequately address consumer complaints including:
  - 12 a. Whether to create a separate licensing board for contractors  
13 specializing in residential construction.
  - 14 b. The need for the development of a workmanship standard for the  
15 residential construction industry.
  - 16 c. The need to provide the State Licensing Board for General  
17 Contractors with greater enforcement authority including the  
18 authority to require correction of construction deficiencies and  
19 the authority to impose civil penalties.
- 20 (3) Determine whether additional construction trades, such as framing and  
21 masonry, should be subject to licensure.
- 22 (4) Study the need for additional remedies for home buyers that have  
23 suffered damages as a result of negligence or incompetence by the home  
24 builder.
- 25 (5) Evaluate the role and responsibilities of local building inspectors in the  
26 home-building process.
- 27 (6) Review and evaluate the efforts in other states to address problems in  
28 the residential construction industry.
- 29 (7) Study any other matters relating to the regulation of the residential  
30 construction industry in this State.

31 Section 4. The Commission may make an interim report to the 2000 Regular  
32 Session of the 1999 General Assembly. The Commission shall submit a final report of its  
33 findings and recommendations to the General Assembly on or before the first day of the  
34 2001 Session of the General Assembly by filing the report with the President Pro  
35 Tempore of the Senate and the Speaker of the House of Representatives. Upon filing its  
36 final report, the Commission shall terminate.

37 Section 5. The Commission, while in the discharge of official duties, may  
38 exercise all the powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S.  
39 120-19.4. The Commission may meet at any time upon the joint call of the Cochairs.  
40 The Commission may meet in the State Legislative Building or the Legislative Office  
41 Building.

42 Section 6. Members of the Commission shall receive per diem, subsistence,  
43 and travel allowances in accordance with G.S. 120-3.1, 138-5, or 138-6, as appropriate.

1           Section 7. The Commission may contract for professional, clerical, or  
2 consultant services as provided by G.S. 120-32.02. The Legislative Services  
3 Commission, through the Legislative Administrative Officer, shall assign professional  
4 staff to assist in the work of the Commission. The House of Representatives' and the  
5 Senate's Supervisors of Clerks shall assign clerical staff to the commission, upon the  
6 direction of the Legislative Services Commission. The expenses relating to clerical  
7 employees shall be borne by the Homebuilding Industry Study Commission.

8           Section 8. When a vacancy occurs in the appointed membership of the  
9 Commission the vacancy shall be filled by the same appointing officer who made the  
10 initial appointment.

11           Section 9. All State departments and agencies and local governments and their  
12 subdivisions shall furnish the Commission, upon request, with any information in their  
13 possession or available to them.

14           Section 10. There is appropriated from the General Fund to the General  
15 Assembly the sum of twenty-five thousand dollars (\$25,000) for the 1999-2000 fiscal  
16 year and the sum of twenty-five thousand dollars (\$25,000) for the 2000-2001 fiscal year  
17 for the expenses of the Commission.

18           Section 11. This act is effective when it becomes law.