

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1991

CHAPTER 840
SENATE BILL 719

AN ACT TO DECREASE THE PROJECT COST MINIMUM FOR APPLICABILITY OF CONTRACTORS LICENSURE REQUIREMENTS, TO CLARIFY EXEMPTION PROVISIONS, AND TO REQUIRE EVIDENCE OF INSURANCE COVERAGE TO BE DEMONSTRATED.

The General Assembly of North Carolina enacts:

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

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

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

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

This section shall not apply to any person or firm or corporation who constructs or alters a building on land owned by that person, firm or corporation ~~when provided such building is intended for use by that person, firm, or corporation after completion. solely for occupancy by that person and his family, firm, or corporation after completion; and provided further that, if such building is not occupied solely by such person and his family, firm, or corporation for at least 12 months following completion, it shall be presumed that the person, firm, or corporation did not intend such building solely for occupancy by that person and his family, firm, or corporation.~~

This section shall not apply to any person engaged in the business of farming who constructs or alters a building on land owned by that person and used in the business of farming, when such building is intended for use by that person after completion."

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

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

Any person, firm or corporation, upon making application to the building inspector or such other authority of any incorporated city, town or county in North Carolina charged with the duty of issuing building or other permits for the construction of any

building, highway, sewer, grading or any improvement or structure where the cost thereof is to be ~~forty five~~thirty thousand dollars ~~(\$45,000)~~(\$30,000) or more, shall, before he be entitled to the issuance of such permit, furnish satisfactory proof to such inspector or authority that he or another person contracting to superintend or manage the construction is duly licensed under the terms of this Article to carry out or superintend the same, and that he has paid the license tax required by the Revenue Act of the State of North Carolina then in force so as to be qualified to bid upon or contract for the work for which the permit has been ~~applied;~~ applied, and that he has in effect Workers' Compensation insurance as required by Chapter 97 of the General Statutes; and it shall be unlawful for such building inspector or other authority to issue or allow the issuance of such building permit unless and until the applicant has furnished evidence that he is either exempt from the provisions of this Article or is duly licensed under this Article to carry out or superintend the work for which permit has been applied; and further, that the applicant has paid the license tax required by the State Revenue Act then in force so as to be qualified to bid upon or contract for the work covered by the permit; and further, that the applicant has in effect Workers' Compensation insurance as required by Chapter 97 of the General Statutes. ~~and such~~ Any building inspector, or other such authority, violating ~~inspector or other such authority who is subject to and violates the terms of this section shall be guilty of a misdemeanor and subject to a fine of not more than fifty dollars (\$50.00)."~~

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

In the General Assembly read three times and ratified this the 6th day of July, 1992.

James C. Gardner
President of the Senate

Daniel Blue, Jr.
Speaker of the House of Representatives