

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 1338
Committee Substitute Favorable 5/15/07
Senate Commerce, Small Business and Entrepreneurship Committee Substitute
Adopted 6/28/07
Fourth Edition Engrossed 7/3/07

Short Title: Raise Project Limits/Elec./Gen. Contractors.

(Public)

Sponsors:

Referred to:

April 10, 2007

A BILL TO BE ENTITLED

AN ACT AUTHORIZING THE ELECTRICAL CONTRACTORS BOARD TO RAISE THE PROJECT VALUE LIMITS FOR LICENSE CLASSIFICATIONS UNDER THE LAWS REGULATING ELECTRICAL CONTRACTORS AND TO RAISE THE PROJECT VALUE LIMITS FOR LICENSE CLASSIFICATIONS UNDER THE LAWS REGULATING GENERAL CONTRACTORS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 87-43.3 reads as rewritten:

"§ 87-43.3. **Classification of licenses.**

An electrical contracting license shall be issued in one of the following classifications: Limited, under which a licensee shall be permitted to engage in a single electrical contracting project of a ~~value-value~~, as established by the Board, not in excess of ~~twenty-five thousand dollars (\$25,000)~~ one hundred thousand dollars (\$100,000) and on which the equipment or installation in the contract is rated at not more than 600 volts; Intermediate, under which a licensee shall be permitted to engage in a single electrical contracting project of a ~~value-value~~, as established by the Board, not in excess of ~~seventy-five thousand dollars (\$75,000)~~; two hundred thousand dollars (\$200,000); Unlimited, under which a licensee shall be permitted to engage in any electrical contracting project regardless of value; and such other special Restricted classifications as the Board may establish from time to time to provide, (i) for the licensing of persons, partnerships, firms or corporations wishing to engage in special restricted electrical contracting, under which license a licensee shall be permitted to engage only in a specific phase of electrical contracting of a special, limited nature, and (ii) for the licensing of persons, partnerships, firms or corporations wishing to engage in electrical contracting work as an incidental part of their primary business, which is a lawful business other than electrical contracting, under which license a licensee shall be

1 permitted to engage only in a specific phase of electrical contracting of a special,
2 limited nature directly in connection with said primary business. The Board may
3 establish appropriate standards for each classification, such standards not to be
4 inconsistent with the provisions of G.S. 87-42. The Board may, by rule, modify the
5 project value limitations up to the maximum amounts set forth in this section for limited
6 and intermediate licenses no more than once every three years based upon an increase or
7 decrease in the project cost index for electrical projects in this State."

8 **SECTION 2.** G.S. 87-43.2(a) reads as rewritten:

9 "(a) A person, partnership, firm, or corporation shall be eligible to be licensed as
10 an electrical contractor and to have such license renewed, subject to the provisions of
11 this Article, provided:

- 12 (1) At least one listed qualified individual shall be regularly employed by
13 the applicant at each separate place of business to have the specific
14 duty and authority to supervise and direct electrical contracting done
15 by or in the name of the licensee;
- 16 (2) An application is filed with the Board which contains a statement of
17 ownership, states the names and official positions of all employees
18 who are listed qualified individuals and provides such other
19 information as the Board may reasonably require;
- 20 (3) The applicant, through an authorized officer or owner, shall agree in
21 writing to report to the Board within five days any additions to or loss
22 of the employment of listed qualified individuals; and
- 23 (4) The applicant furnishes, upon the initial application for a license, a
24 bonding ability statement completed by a bonding company licensed to
25 do business in North Carolina, verifying the applicant's ability to
26 furnish performance bonds for electrical contracting projects having a
27 value in excess of ~~twenty five thousand dollars (\$25,000)~~ the project
28 value limit for a limited license established pursuant to G.S. 87-43.3
29 for the intermediate license classification and in excess of ~~seventy five~~
30 ~~thousand dollars (\$75,000)~~ the project value limit for an intermediate
31 license established pursuant to G.S. 87-43.3 for the unlimited license
32 classification. In lieu of furnishing the bonding ability statement, the
33 applicant may submit for evaluation and specific approval of the Board
34 other information certifying the adequacy of the applicant's financial
35 ability to engage in projects of the license classification applied for.
36 The bonding ability statement or other financial information must be
37 submitted in the same name as the license to be issued. If the firm for
38 which a license application is filed is owned by a sole proprietor, the
39 bonding ability statement or other financial information may be
40 furnished in either the firm name or the name of the proprietor.
41 However, if the application is submitted in the name of a sole
42 proprietor, the applicant shall submit information verifying that the
43 person in whose name the application is made is in fact the sole
44 proprietor of the firm.

1 (5) Repealed by Session Laws 1989, c. 709, s. 5."

2 **SECTION 3.** G.S. 87-10(a) reads as rewritten:

3 "(a) Anyone seeking to be licensed as a general contractor in this State shall file
4 an application for an examination on a form provided by the Board, at least 30 days
5 before any regular or special meeting of the Board. The Board may require the applicant
6 to pay the Board or a provider contracted by the Board an examination fee not to exceed
7 one hundred dollars (\$100.00) and pay to the Board a license fee not to exceed one
8 hundred twenty-five dollars (\$125.00) if the application is for an unlimited license, one
9 hundred dollars (\$100.00) if the application is for an intermediate license, or
10 seventy-five dollars (\$75.00) if the application is for a limited license. The fees
11 accompanying any application or examination shall be nonrefundable. The holder of an
12 unlimited license shall be entitled to act as general contractor without restriction as to
13 value of any single project; the holder of an intermediate license shall be entitled to act
14 as general contractor for any single project with a value of up to ~~seven hundred~~
15 ~~thousand dollars (\$700,000);~~ one million dollars (\$1,000,000); the holder of a limited
16 license shall be entitled to act as general contractor for any single project with a value of
17 up to ~~three hundred fifty thousand dollars (\$350,000);~~ five hundred thousand dollars
18 (\$500,000); and the license certificate shall be classified in accordance with this section.
19 Before being entitled to an examination an applicant must show to the satisfaction of the
20 Board from the application and proofs furnished that the applicant is possessed of a
21 good character and is otherwise qualified as to competency, ability, integrity, and
22 financial responsibility, and that the applicant has not committed or done any act,
23 which, if committed or done by any licensed contractor would be grounds under the
24 provisions hereinafter set forth for the suspension or revocation of contractor's license,
25 or that the applicant has not committed or done any act involving dishonesty, fraud, or
26 deceit, or that the applicant has never been refused a license as a general contractor nor
27 had such license revoked, either in this State or in another state, for reasons that should
28 preclude the granting of the license applied for, and that the applicant has never been
29 convicted of a felony involving moral turpitude, relating to building or contracting, or
30 involving embezzlement or misappropriation of funds or property entrusted to the
31 applicant: Provided, no applicant shall be refused the right to an examination, except in
32 accordance with the provisions of Chapter 150B of the General Statutes."

33 **SECTION 4.** Effective on the date this act becomes effective and until
34 changed by permanent rule adopted by the State Board of Examiners of Electrical
35 Contractors, for purposes of Sections 1 and 2 of this act, the project value limitation for
36 the Limited classification shall be forty thousand dollars (\$40,000) and the project value
37 limitation for the Intermediate classification shall be one hundred ten thousand dollars
38 (\$110,000).

39 **SECTION 5.** This act becomes effective October 1, 2007.