

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

H

2

HOUSE BILL 983
Committee Substitute Favorable 6/8/89

Short Title: Certify Electrical Contractors.

(Public)

Sponsors:

Referred to:

March 31, 1989

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THE REQUIREMENTS FOR LICENSURE AND
3 CERTIFICATION OF ELECTRICAL CONTRACTORS.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 87-39 reads as rewritten:

6 "**§ 87-39. Board of Examiners; appointment; terms; chairman; meetings; quorum;**
7 **principal office; compensation; oath.**

8 The State Board of Examiners of Electrical Contractors shall continue as the State
9 agency responsible for the licensing of persons engaging in electrical contracting within
10 this State, and shall consist of one member from the North Carolina Department of
11 Insurance to be designated by the Commissioner of Insurance; one member who has
12 satisfied the requirements for an unlimited license as defined in G.S. 87-43.3 and who is
13 a representative of the North Carolina Association of Electrical Contractors to be
14 designated by the governing body of that organization; and five members to be
15 appointed by the Governor: one from the faculty of The Greater University of North
16 Carolina who teaches or does research in the field of electrical engineering, one who is
17 serving as a chief electrical inspector of a municipality or county in North Carolina, one
18 who has satisfied the requirements for ~~a~~an unlimited license classified under as defined
19 in G.S. 87-43.3 and who represents ~~is~~ a representative of the Carolinas Electrical
20 Contractors Association operating a sole proprietorship, partnership or corporation
21 located in North Carolina which is actively engaged in the business of electrical
22 contracting, and two who have no ties with the construction industry and who represent
23 the interest of the public at large. ~~The Governor shall appoint the two public members as~~

1 ~~soon as practicable after July 1, 1979, for terms of seven years.~~ The terms of the successors to
2 all members shall be seven years and until their successors are designated or appointed
3 and are qualified. A vacancy occurring during a term shall be filled for the remainder of
4 the unexpired term by the authority which designated or appointed the member to the
5 seat being vacated. All members shall be citizens of North Carolina and reside in North
6 Carolina during their tenure on the Board. No member ~~appointed after June 8, 1979,~~ shall
7 ~~serve more than one two~~ complete consecutive ~~term.~~ terms.

8 The Board shall hold regular meetings quarterly and may hold meetings on call of
9 the chairman. The chairman shall be required to call a special meeting upon written
10 request by two members of the Board. The Board shall, at the first meeting following
11 appointment of the new member in each year, meet and elect from its membership a
12 chairman and vice-chairman, each to serve for one year. Four members of the Board
13 shall constitute a quorum. The principal office of the Board shall be at such place as
14 shall be designated by a majority of the members thereof. Payment of compensation and
15 reimbursement of expenses of Board members shall be governed by G.S. 93B-5. Before
16 entering upon the performance of his duties hereunder, each member of the Board shall
17 take and file with the Secretary of State an oath in writing to properly perform the duties
18 of his office as a member of said Board, and to uphold the Constitution of North
19 Carolina and the Constitution of the United States."

20 Sec. 2. Article 4 of Chapter 87 of the General Statutes is amended by adding
21 a new section to read:

22 "**§ 87-41.1. Definitions.**

23 As used in this Article, unless the context requires otherwise:

- 24 (1) A 'qualified individual' is an individual who is qualified in a specific
25 license classification as a result of having taken and passed the
26 qualifying examination required by this Article for such a
27 classification and who has been certified as such by the Board pursuant
28 to G.S. 87-42.
- 29 (2) A 'listed qualified individual' is a qualified individual whose name is
30 listed on a license issued by the Board. A listed qualified individual
31 has the specific duty and authority to supervise and direct electrical
32 contracting done by or in the name of a licensee of the Board on whose
33 license the qualified individual is so listed.
- 34 (3) A licensee of the Board is a person listed pursuant to subsection (2), or
35 a partnership, firm or corporation that regularly employs at least one
36 listed qualified individual and which has been issued a license by the
37 Board."

38 Sec. 3. G.S. 87-42 reads as rewritten:

39 "**§ 87-42. Duties and powers of Board.**

40 In order to protect the life, health and property of the public, the State Board of
41 Examiners of Electrical Contractors shall provide for the written examination of all
42 applicants for a ~~license as an electrical contractor.~~ certification as a qualified individual, as
43 defined in G.S. 87-41.1. The Board shall receive all applications for certification as a
44 qualified individual and all applications for licenses to be issued under this Article, shall

1 examine all applicants to determine that each ~~shall be qualified~~ has met the requirements
2 for certification and shall also discharge these all duties enumerated in G.S. 87-47. this
3 Article. Individual applicants Applicants for certification as a qualified individual must be
4 at least ~~21~~ 18 years of ~~age,~~ age and shall be required to demonstrate to the satisfaction of
5 the Board ~~evidence of their~~ good character and adequate technical and practical
6 knowledge concerning the safe and proper installation of electrical work and equipment.
7 The examination to be given for this purpose shall include, but not be limited to, the
8 appropriate provisions of the National Electrical Code ~~and as incorporated in~~ the North
9 Carolina State Building Code, the analysis of electrical plans and specifications,
10 estimating of electrical installations, and the fundamentals of the installation of
11 electrical work and equipment. Certification of qualified individuals shall be issued in
12 the same classifications as provided in this Article for license classifications. The Board
13 shall prescribe the standards of knowledge, experience and proficiency to be required of
14 ~~licensees, qualified individuals,~~ which may vary for the various classifications of licenses.
15 license classifications. The Board shall issue certifications and licenses to all applicants
16 meeting the requirements of this Article and of the Board upon the receipt of the fees
17 prescribed by G.S. 87-44. The Board shall have power to make rules and regulations
18 necessary to the performance of its duties and for the effective implementation of the
19 provisions of this Article. The Board shall issue licenses to all applicants meeting the
20 requirements of the Board upon the receipt of the fees herein prescribed. The Board shall
21 have the power to administer oaths and issue subpoenas requiring the attendance of
22 persons and the production of papers and records before the Board in any hearing,
23 investigation, or proceeding conducted by it. Members of the Board's staff or the sheriff
24 or other appropriate official of any county of this State shall serve all notices,
25 subpoenas, and other papers given to them by the Chairman for service in the same
26 manner as process issued by any court of record. Any person who neglects or refuses to
27 obey a subpoena issued by the Board shall be guilty of a misdemeanor and, upon
28 conviction thereof, shall be fined or imprisoned in the discretion of the court. The Board
29 shall keep minutes of all its proceedings, proceedings and shall keep an accurate record
30 of receipts and disbursements which shall be audited at the close of each fiscal year by a
31 certified public ~~accountant~~ accountant, and the audit report shall be filed with the State
32 of North Carolina in accordance with Chapter 93B of the General Statutes."

33 Sec. 4. G.S. 87-43 reads as rewritten:

34 **"§ 87-43. Electrical contracting defined; licenses.**

35 Electrical contracting shall be defined as engaging or offering to engage in the
36 business of installing, maintaining, altering or repairing any electric work, wiring,
37 devices, appliances or equipment. No person, partnership, firm or corporation shall
38 engage, or offer to engage, in the business of electrical contracting within the State of
39 North Carolina without having received a license in the applicable classification
40 described in G.S. 87-43.3 from the State Board of Examiners of Electrical Contractors
41 in compliance with the provisions of this ~~Article.~~ Article, regardless of whether the offer
42 was made or the work was performed by a qualified individual as defined in G.S. 87-
43 41.1. In each separate place of business operated by an electrical contractor at least one
44 person-listed qualified individual must shall be regularly on active duty who has passed

1 ~~the examination required by this Article and who has~~ shall have the specific duty and
2 authority to supervise and direct all electrical wiring or electrical installation work done
3 or made by such separate place of business. Every person, partnership, firm or
4 corporation engaging in the business of electrical contracting shall display a current
5 certificate of license in his principal place of business and in each branch place of
6 business which he operates. Licenses issued hereunder shall be signed by the chairman
7 and the secretary-treasurer of the Board, under the seal of the Board. A registry of all
8 licenses issued to electrical contractors shall be kept by the secretary-treasurer of the
9 Board, and said registry shall be open for public inspection during ordinary business
10 hours."

11 Sec. 5. G.S. 87-43.2 reads as rewritten:

12 "**§ 87-43.2. Corporate or partnership practice of electrical contracting. Issuance of**
13 **License.**

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

- 17 (1) ~~At least one person who has listed~~ qualified under the provisions of this
18 ~~Article individual~~ shall be regularly employed by the applicant at each
19 separate place of ~~business, such person business~~ to have the specific
20 duty and authority to ~~provide direct supervision of all installation,~~
21 ~~maintenance, alteration or repair of any electrical wiring, devices, appliances~~
22 ~~or equipment~~ supervise and direct electrical contracting done by or in
23 the name of the licensee;
- 24 (2) An application is filed with the Board which contains a statement of
25 ownership, states the names and official positions of all employees
26 ~~currently qualified under this Article,~~ who are listed qualified individuals
27 and provides such other information as the Board may reasonably
28 require;
- 29 (3) The applicant, through an authorized officer or owner, shall agree in
30 writing ~~that the corporation or partnership will to~~ report to the Board
31 within five days any additions to or loss of the employment of listed
32 qualified individuals as described in subdivisions (1) and (2) above;
33 individuals; and
- 34 (4) ~~A license issued to a corporation or partnership shall indicate the~~
35 ~~names and classifications of qualified individuals as described in~~
36 ~~subdivisions (1) and (2) above;~~ The applicant furnishes, upon the
37 initial application for a license, a bonding ability statement completed
38 by a bonding company licensed to do business in North Carolina,
39 verifying the applicant's ability to furnish performance bonds for
40 electrical contracting projects having a value in excess of seventeen
41 thousand five hundred dollars (\$17,500) for the intermediate license
42 classification and in excess of seventy-five thousand dollars (\$75,000)
43 for the unlimited license classification. In lieu of furnishing the
44 bonding ability statement, the applicant may submit for evaluation and

1 specific approval of the Board other information certifying the
 2 adequacy of the applicant's financial ability to engage in projects of the
 3 license classification applied for. The bonding ability statement or
 4 other financial information must be submitted in the same name as the
 5 license to be issued. If the firm for which a license application is filed
 6 is owned by a sole proprietor, the bonding ability statement or other
 7 financial information may be furnished in either the firm name or the
 8 name of the proprietor. However, if the application is submitted in the
 9 name of a sole proprietor, the applicant shall submit information
 10 verifying that the person in whose name the application is made is in
 11 fact the sole proprietor of the firm.

12 (5) ~~A license issued to a corporation or partnership shall be canceled if at~~
 13 ~~any time no person who has qualified under the provisions of this~~
 14 ~~Article shall be regularly employed by the corporation or partnership~~
 15 ~~as provided by subdivision (1) above; provided, that work begun prior~~
 16 ~~to such cancellation may be completed under such conditions as the~~
 17 ~~Board shall direct; provided further that no work for which a license is~~
 18 ~~required under this Article shall be bid for, contracted for or initiated~~
 19 ~~subsequent to such cancellation until said license is reinstated by the~~
 20 ~~Board.~~

21 (b) A license shall indicate the names and classifications of all listed qualified
 22 individuals employed by the applicant. A license shall be cancelled if at any time no
 23 listed qualified individual is regularly employed by the applicant; provided, that work
 24 begun prior to such cancellation may be completed under such conditions as the Board
 25 shall direct; and provided further that no work for which a license is required under this
 26 Article may be bid for, contracted for or initiated subsequent to such cancellation until
 27 said license is reinstated by the Board."

28 Sec. 6. G.S. 87-43.3 reads as rewritten:

29 "**§ 87-43.3. Classification of licenses.**

30 An electrical ~~contractor's contracting~~ license shall be issued in one of the following
 31 classifications: Limited, under which a licensee shall be permitted to engage in a single
 32 electrical contracting project of a value not in excess of ~~ten-seventeen~~ thousand five
 33 hundred dollars ~~(\$10,000)-(\$17,500)~~ and on which the equipment or installation in the
 34 contract is rated at not more than 600 volts; Intermediate, under which a licensee shall
 35 be permitted to engage in a single electrical contracting project of a value not in excess
 36 of ~~fifty-seventy-five~~ thousand dollars ~~(\$50,000)-(\$75,000)~~; Unlimited, under which a
 37 licensee shall be permitted to engage in any electrical contracting project regardless of
 38 value; and such other special ~~Restricted classification~~ classifications as the Board may
 39 establish from time to time to ~~provide~~ provide, (i) for the licensing of persons,
 40 partnerships, firms or corporations wishing to engage in special restricted electrical
 41 contracting, under which license a licensee shall be permitted to engage only in a
 42 specific phase of electrical contracting of a special, limited ~~nature~~; nature, and (ii) for the
 43 licensing of persons, partnerships, firms or corporations wishing to engage in electrical
 44 contracting work as an incidental part of their primary business, which is a lawful

1 business other than electrical contracting, under which license a licensee shall be
2 permitted to engage only in a specific phase of electrical contracting of a special,
3 limited nature directly in connection with said primary business. The Board may
4 establish appropriate standards for each classification, such standards not to be
5 inconsistent with the provisions of G.S. 87-42."

6 Sec. 7. G.S. 87-44 reads as rewritten:

7 **"§ 87-44. Fees; license term.**

8 The Board shall collect a fee from each applicant before granting or renewing a
9 license under the provisions of this Article; the annual license fee for the limited
10 classification shall not be in excess of thirty dollars (\$30.00) for each principal and each
11 branch place of business; the annual license fee for the intermediate classification shall
12 not be in excess of seventy-five dollars (\$75.00) for each principal and each branch
13 place of business; the annual license fee for the unlimited classification shall not be in
14 excess of one hundred fifty dollars (\$150.00) for each principal and each branch place
15 of business; and the annual license fee for the special restricted classifications and for
16 the single-family detached residential dwelling license shall not be in excess of thirty
17 dollars (\$30.00) for each principal and each branch place of business.

18 Each license issued under the provisions of this Article shall expire on June 30
19 following the date of its ~~issuance~~, issuance and shall be renewed by the ~~Board upon~~
20 Board, subject to G.S. 87-44.1 and G.S. 87-47, after receipt and evaluation of a renewal
21 application from a licensee and the payment of the required fee. The application shall be
22 upon a form provided by the Board and shall ~~furnish~~ require such information as the
23 Board may ~~require~~ prescribe. Renewal applications and fees shall be due 30 days prior
24 to the license expiration date; ~~applications received after this time may, in the discretion of~~
25 the Board, be subject to a penalty not exceeding ten percent (10%) of the license fee. No
26 license issued in accordance with the provisions of this Article shall be assignable or
27 transferable ~~date~~.

28 Upon failure to renew by June 30, the license shall be automatically revoked. This
29 license may be reinstated by the Board, subject to G.S. 87-44.1 and G.S. 87-47, upon
30 payment of the license fee, a late renewal fee not to exceed twenty-five dollars (\$25.00),
31 and all fees for the lapsed period during which the person, partnership, firm or
32 corporation engaged in electrical contracting, and, further, upon the satisfaction of such
33 experience requirements during the lapse as the Board may prescribe by rule.

34 The Board may collect fees from applicants for examinations in amounts not
35 exceeding the maximum annual license fees for the respective license classifications
36 prescribed in this Article, except the fee for a specially arranged examination shall not
37 exceed two hundred dollars (\$200.00). In addition, the Board may collect an
38 examination review fee, not to exceed ten dollars (\$10.00), from failed examinees who
39 apply for a supervised review of their failed examinations."

40 Sec. 8. Chapter 87 of the General Statutes is amended by adding a new
41 section to read:

42 **"§ 87-44.1. Continuing Education Courses Required.**

43 Beginning July 1, 1991, the Board may require as prerequisite to the annual renewal
44 of a license that every listed qualified individual complete continuing education courses

1 in subjects relating to electrical contracting to assure the safe and proper installation of
2 electrical work and equipment in order to protect the life, health, and property of the
3 public. The listed qualified individual shall complete, during the 12 months immediately
4 preceding license renewal, a specific number of hours of continuing education courses
5 approved by the Board prior to enrollment. The Board shall not require more than 10
6 hours of continuing education courses per 12 months and such continuing education
7 courses shall include those taught at a community college as approved by the Board.
8 The listed qualified individual may accumulate and carry forward not more than two
9 additional years of the annual continuing education requirement. Attendance at any
10 course or courses of continuing education shall be certified to the Board on a form
11 provided by the Board and shall be submitted at the time the licensee makes application
12 to the Board for its license renewal and payment of its license renewal fee. This
13 continuing education requirement may be waived by the Board in cases of certified
14 illness or undue hardship as provided for in the Rules of the Board."

15 Sec. 9. G.S. 87-47 reads as rewritten:

16 **"§ 87-47. Jurisdiction of Board over licensees. Board.**

17 ~~(a) In the interest of protecting the public, the Board shall have jurisdiction to hear~~
18 ~~and determine on its own motion or upon written complaint, all complaints, allegations~~
19 ~~of charges of malpractice, unethical conduct, fraud, deceit, gross negligence, gross~~
20 ~~incompetence or gross misconduct in the practice of electrical contracting, or fraud or~~
21 ~~deceit in obtaining a license under this Article, made against any licensee under this~~
22 ~~Article; and the Board may administer to licensees any one or more of the following~~
23 ~~penalties: (i) reprimand; (ii) suspension from practice for a period not to exceed twelve~~
24 ~~months; (iii) revocation of license; and (iv) probationary revocation of license upon~~
25 ~~conditions set by the Board as the case shall in their judgment warrant with revocation~~
26 ~~of license upon failure to comply.~~

27 ~~The Board shall, in accordance with Chapter 150A of the General Statutes,~~
28 ~~formulate rules of procedure governing the hearings of charges against licensees. Any~~
29 ~~person may prefer charges against any licensee, and such charges must be sworn to by~~
30 ~~the complainant and submitted in writing to the Board. Charges shall be heard and~~
31 ~~determined by the Board, and may be dismissed without notice to the accused licensee~~
32 ~~if unfounded or trivial. In conducting hearings of charges against licensees, the Board~~
33 ~~may remove the same to any county in which the offense, or any part thereof, was~~
34 ~~committed if in the opinion of the Board the ends of justice or the convenience of~~
35 ~~witnesses require such removal.~~

36 (a1) In the interest of protecting the public, whenever the Board finds that (i) an
37 applicant for certification as a qualified individual, (ii) an applicant for a license, (iii) an
38 applicant for a renewal of a license, (iv) a qualified individual, or (v) a person,
39 partnership, firm or corporation to whom or to which a certification or license has been
40 issued, is guilty of one or more of the following:

- 41 (1) Offering to engage or engaging in electrical contracting without being
42 licensed;
- 43 (2) Selling, transferring, or assigning a license, regardless of whether for a
44 fee;

- 1 (3) Aiding or abetting an unlicensed person, partnership, firm, or
2 corporation to offer to engage or to engage in electrical contracting;
3 (4) A crime involving fraud or moral turpitude by conviction thereof;
4 (5) Fraud or misrepresentation in obtaining a certification, in obtaining or
5 renewing a license, or in the practice of electrical contracting;
6 (6) False or misleading advertising; or
7 (7) Malpractice, unethical conduct, fraud, deceit, gross negligence, gross
8 incompetence, or gross misconduct in the practice of electrical
9 contracting;

10 the Board may refuse or revoke certification as a qualified individual, or may refuse to
11 issue or renew a license.

12 (a2) In addition to the administrative action authorized by subdivision (a1) above,
13 the Board may administer one or more of the following penalties if the applicant,
14 licensee, or qualified individual is found to be guilty of one or more of the acts listed in
15 subdivision (a1):

- 16 (1) Reprimand;
17 (2) Suspension from practice for a period not to exceed 12 months;
18 (3) Revocation of the right to serve as a listed qualified individual on any
19 license issued by the Board;
20 (4) Revocation of license; and
21 (5) Probationary revocation of license or the right to serve as a listed
22 qualified individual on any license issued by the Board, upon
23 conditions set by the Board as the case shall warrant, with revocation
24 upon failure to comply with the conditions.

25 (a3) The Board shall, in accordance with Chapter 150B of the General Statutes,
26 formulate rules of procedure governing the hearings of charges against applicants,
27 qualified individuals and licensees. Any person may prefer charges against any
28 applicant, qualified individual, or licensee, and such charges must be sworn to by the
29 complainant and submitted in writing to the Board. In conducting hearings of charges,
30 the Board may remove the hearings to any county in which the offense, or any part
31 thereof, was committed if in the opinion of the Board the ends of justice or the
32 convenience of witnesses require such removal.

33 (b) The Board shall adopt and publish rules, consistent with the provisions of this
34 Article, governing the ~~suspension and revocation of licenses.~~ matters contained in this
35 section.

36 (c) The Board shall establish and maintain a system whereby detailed records are
37 kept regarding complaints against each applicant, qualified individual and licensee. This
38 record shall include, for each applicant, qualified individual and licensee, the date and
39 nature of each complaint, investigatory action taken by the Board, any findings by the
40 Board, and the disposition of the matter.

41 (d) The Board may ~~reissue a license to any person, firm or corporation~~ reinstate a
42 qualified individual's certification and may reinstate a license after having revoked such
43 license, ~~provided; it, provided~~ that one year has elapsed from revocation until reissuance,

1 reinstatement and that the vote of the Board for reinstatement is by a majority of its
2 members.

3 The Board shall immediately notify the Secretary of State and the electrical
4 inspectors within the licensee's county of residence upon the revocation of a license or
5 the reissuance of a license which had been revoked.

6 (e) In any case in which the Board is entitled to convene a hearing to consider a
7 charge under this section, the Board may accept an offer in compromise of the charge,
8 whereby the accused shall pay to the Board a penalty of not more than one thousand
9 dollars (\$1,000). All such penalties collected by the Board shall be deposited in the
10 General Fund of North Carolina."

11 Sec. 10. G.S. 87-48 reads as rewritten:

12 "**§ 87-48. Penalty for violation of Article; powers of Board to enjoin violation.**

13 (a) Any person, partnership, firm or corporation who shall violate any of the
14 provisions of this ~~Article, Article~~ or any rule of the Board adopted pursuant to this
15 Article or who shall engage or ~~undertake offer~~ to engage in the business of installing,
16 maintaining, altering or repairing within the State of North Carolina any electric wiring,
17 devices, appliances or equipment without first having obtained a license under the
18 provisions of this ~~Article, Article~~ shall be guilty of a misdemeanor and upon conviction
19 thereof ~~shall~~ shall, for each offense, be subject to a fine of not ~~less~~ more than ~~twenty-five~~
20 dollars (\$25.00) or more than fifty dollars (\$50.00) for each offense. Conviction of a violation
21 of this Article on the part of a holder of a license issued hereunder shall automatically have the
22 effect of suspending such license until such time as it shall have been reinstated by the State
23 Board of Examiners of Electrical Contractors. three hundred dollars (\$300.00) or
24 imprisonment for not more than three months or both.

25 (b) Whenever it shall appear to the State Board of Examiners of Electrical
26 Contractors that any person, partnership, firm or corporation has violated, is violating,
27 or threatens to violate, or is violating violate any provisions of this Article, the Board may
28 apply to the courts of the State for a restraining order and injunction to restrain such
29 practices. If upon such application the court finds that any provision of this Article is
30 being violated, or a violation thereof is threatened, the court shall issue an order
31 restraining and enjoining such violations, and such relief may be granted regardless of
32 whether criminal prosecution is instituted under the provisions of this Article. The
33 venue for actions brought under this subsection shall be the superior court of any county
34 in which such acts are alleged to have been committed or in the county where the
35 defendants in such action reside."

36 Sec. 11. This act is effective upon ratification.