

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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1

HOUSE BILL 38

Short Title: Contractors Review Committee.

(Public)

Sponsors: Representatives Hasty, Easterling, Ligon, Lineberry, Privette, Woodard; Bowman, Pope, and Warner.

Referred to: State Government.

February 11, 1991

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE NORTH CAROLINA RESIDENTIAL
3 CONTRACTORS REVIEW COMMITTEE.

4 The General Assembly of North Carolina enacts:

5 Section 1. Chapter 87 of the General Statutes is amended by adding the
6 following new article to read:

7 **"ARTICLE 1A**

8 **"RESIDENTIAL CONTRACTORS REVIEW COMMITTEE.**

9 **"§ 87-15.5. Definitions.**

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

- 11 (1) 'Board' means the State Licensing Board for General Contractors;
12 (2) 'Residential construction' means the construction of one-family or two-
13 family residential dwelling units which are required to conform to the
14 North Carolina Uniform Residential Building Code;
15 (3) 'Residential contractor' means any person, firm or corporation, whether
16 licensed or not, who for a fixed price, commission, fee, or wage
17 undertakes to bid upon or to construct or who undertakes to
18 superintend or manage on his own behalf or for any person, firm or
19 corporation that is not licensed as a general contractor under Article 1
20 of this chapter, the construction of one-family or two-family
21 residential dwelling units which are required to conform to the North
22 Carolina Uniform Residential Building Code.

1 (4) 'Residential Review Committee' or 'Review Committee' means the
2 North Carolina Residential Contractors Review Committee established
3 by this Article.

4 **"§ 87-15.6. Residential Contractors Review Committee established; membership.**

5 (a) The North Carolina Residential Contractors Review Committee is established
6 within the State Licensing Board for General Contractors. The purposes of the Review
7 Committee are to assure the expeditious implementation and enforcement of the
8 licensing provisions applicable to residential contractors under Article 1 of this Chapter,
9 and to provide a process whereby homeowners may bring residential construction-
10 related complaints to a single entity for review and referral to the appropriate
11 governmental authority.

12 (b) The Residential Review Committee shall consist of seven members, two of
13 whom shall be appointed by the Speaker of the House of Representatives, two of whom
14 shall be appointed by the Lieutenant Governor, two of whom shall be appointed by the
15 Governor, and one of whom shall be the member of the Board who has as the larger part
16 of his business the construction of residences and is the holder of an unlimited general
17 contractor's license. The appointees of the Speaker of the House of Representatives
18 shall be an architect registered under Chapter 83 of the General Statutes, and a
19 residential contractor who holds an intermediate general contractor's license as defined
20 in G.S. 87-10. The appointees of the Lieutenant Governor shall be an engineer
21 registered under Chapter 89C of the General Statutes and practicing structural
22 engineering, and a residential contractor who holds a limited general contractor's license
23 as defined in G.S. 87-10. Of the Governor's appointees, one shall be a municipal or
24 county building inspector and one shall be a member of the public at large who has no
25 ties to the construction industry.

26 (c) The terms of the initial members of the Residential Review Committee shall
27 be staggered so that the terms of one member appointed by the Governor and the
28 members appointed by the Lieutenant Governor expire December 31, 1993, and one
29 member appointed by the Governor and the members appointed by the Speaker of the
30 House of Representatives expire December 31, 1994. Terms of these appointees shall
31 thereafter be for a period of three years. The term of the member appointed from the
32 Board shall be coterminous with Board membership. Vacancies shall be filled for the
33 unexpired term by the original appointing authority. No member of the Residential
34 Review Committee shall serve more than two complete consecutive terms.

35 (d) The members of the Residential Review Committee shall receive per diem
36 and necessary travel and subsistence expenses in accordance with G.S. 93B-5 for all
37 time actually spent conducting business of the Review Committee. All expenses,
38 salaries, and per diem authorized under this Article shall be an expense of the Board and
39 shall be paid from funds received under the provisions of Article 1 of this Chapter and
40 shall in no manner be an expense to the State.

41 (e) The Residential Review Committee shall select from its members a chairman,
42 a vice chairman, and a secretary who shall serve for one year or until their successors
43 are elected and qualified. No two offices may be held by the same person. The

1 Residential Review Committee, with the concurrence of the Board, may engage
 2 adequate staff as the Review Committee deems necessary to perform its duties.

3 (f) The Residential Review Committee shall meet at least three times each year,
 4 and as often as necessary to carry out its duties under this Article. Five members shall
 5 constitute a quorum.

6 **"§ 87-15.7. Residential Review Committee duties and responsibilities.**

7 The Residential Review Committee may adopt procedures to carry out the purpose
 8 of this Article, and shall:

9 (1) Review, investigate, and make recommendations to the Board for the
 10 timely disposition of all complaints involving residential construction,
 11 including those referred from the Attorney General's office and other
 12 State and local agencies;

13 (2) Investigate all complaints involving residential construction which are
 14 properly submitted and not dismissed as unfounded or trivial.
 15 Complaints which in the Review Committee's opinion necessitate on-
 16 site investigation may be investigated by one or more members of the
 17 Board, the Residential Review Committee, or the staff, provided that at
 18 least one of the persons conducting such investigation is licensed as a
 19 general contractor or has demonstrated expertise in the area of
 20 residential construction;

21 (3) Conduct follow-up activities, where appropriate, to determine if orders
 22 issued by the Board pursuant to complaints disposed of after hearing
 23 have been carried out.

24 (4) Establish procedures for the timely response to persons making
 25 complaints related to residential construction, which procedures shall
 26 include the referral, where appropriate, of all such complaints to the
 27 proper government agencies for action.

28 (5) Establish procedures for sharing information with other construction-
 29 related boards and commissions to enhance the enforcement of laws
 30 and regulations pertaining to the residential construction industry.

31 (6) Make recommendations to the Board for the promulgation of rules
 32 necessary for the Residential Review Committee to carry out its duties
 33 under this Article.

34 (7) Conduct other activities as may be lawfully delegated to it by the
 35 Board."

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

37 **"§ 87-2. Licensing Board; organization.**

38 There is created the State Licensing Board for General Contractors consisting of
 39 ~~seven~~nine members which include five general ~~contractors~~contractor's, one registered
 40 engineer practicing structural engineering, and ~~two~~three public members appointed by
 41 the ~~Governor~~Governor. Except as otherwise provided in this section, members shall be
 42 appointed for staggered five-year terms. Of the general contractor members, one ~~One~~
 43 ~~member~~ shall have as the larger part of his business the construction of highways; one
 44 ~~member~~ shall have as the larger part of his business the construction of public utilities;

1 one member shall have as the larger part of his business the construction of buildings;
2 ~~one member shall be either a highway, utility, or building contractor; one member and two~~
3 shall have as a larger part of ~~his business~~ their businesses the construction of ~~residences;~~
4 residences, one of whom shall be the holder of an unlimited general contractor's license.
5 ~~and two~~ The public members shall be public members who have no ties with the
6 construction industry and ~~who~~ shall represent the interests of the public at large. One of
7 the three public members shall be the person who serves as public member of the North
8 Carolina Residential Contractors Review Committee. The term of the public member
9 appointed from the Review Committee shall be coterminous with membership on the
10 Review Committee. Members shall serve until the expiration of their respective terms
11 and until their successors are appointed and qualified. Vacancies occurring during a
12 term shall be filled by appointment of the Governor for the remainder of the unexpired
13 term. The Governor may remove any member of the Board for misconduct,
14 incompetency, or neglect of duty. No Board member shall serve more than two
15 complete consecutive terms."

16 Sec. 3. G.S. 87-11 reads as rewritten:

17 "**§ 87-11. Revocation of license; charges of fraud, negligence, incompetency, etc.;**
18 **hearing thereon; reissuance of certificate.**

19 (a) The Board shall have the power to revoke the certificate of license of any
20 general contractor licensed hereunder who is found guilty of any fraud or deceit in
21 obtaining a license, or gross negligence, incompetency or misconduct in the practice of
22 his profession, or willful violation of any provisions of this Article. Any person may
23 prefer charges of such fraud, deceit, negligence or misconduct against any general
24 contractor licensed hereunder; such charges shall be in writing and sworn to by the
25 complainant and submitted to the Board. Such charges, unless dismissed without
26 hearing by the Board as unfounded or trivial, shall be heard and determined by the
27 Board in accordance with the provisions of Chapter ~~150A-150B~~ of the General Statutes.
28 Charges pertaining to residential construction matters that are properly submitted to the
29 Board or that are referred from the Attorney General or other State or local agency, shall
30 be promptly referred by the Board to the North Carolina Residential Contractors Review
31 Committee for preliminary review, response, investigation, and recommendations for
32 Board action.

33 (b) The Board shall adopt and publish guidelines, consistent with the provisions
34 of this Article, governing the suspension and revocation of licenses.

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

39 (d) The Board may reissue a license to any person, firm or corporation whose
40 license has been revoked: Provided, ~~three-five~~ or more members of the Board vote in
41 favor of such reissuance for reasons the Board may deem sufficient.

42 The Board shall immediately notify the Secretary of State of its findings in the case
43 of the revocation of a license or of the reissuance of a revoked license.

1 A certificate of license to replace any certificate lost, destroyed or mutilated may be
2 issued subject to the rules and regulations of the Board.

3 (e) The Board shall promulgate the rules, necessary to implement the provisions
4 of Article 1A of this Chapter. In promulgating these rules the Board shall consider the
5 recommendations of the North Carolina Residential Contractors Review Committee."

6 Sec. 4. Sections 1 and 3 of this act shall become effective October 1, 1991.
7 Section 2 of this act is effective upon ratification and shall apply to appointments made
8 on or after that date.