

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013**

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**SENATE BILL 71**

Short Title: Amend Irrigation Contractors Licensing Laws. (Public)

Sponsors: Senators Tucker (Primary Sponsor); and Brown.

Referred to: Commerce.

February 11, 2013

A BILL TO BE ENTITLED

AN ACT AMENDING THE LAWS REGULATING IRRIGATION CONTRACTORS TO PROVIDE SUBSTANTIVE REQUIREMENTS FOR LICENSING CORPORATIONS, TO PROVIDE FOR THE ISSUANCE OF LICENSES TO NONRESIDENTS, TO CLARIFY THE FEE STRUCTURE, TO PROVIDE FOR LICENSURE OF EXPERIENCED IRRIGATION CONTRACTORS WITHOUT THE REQUIREMENT OF AN EXAMINATION WHERE CERTAIN CONDITIONS ARE MET, AND TO MAKE OTHER CONFORMING CHANGES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 89G-1 reads as rewritten:

**"§ 89G-1. Definitions.**

The following definitions apply in this Chapter:

- (1) Board. – The North Carolina Irrigation Contractors' Licensing Board.
- (1a) Business entity. – A person that is not an individual.
- (1b) Delinquent income tax debt. – The amount of income tax due as stated in a final notice of assessment issued to a taxpayer by the Secretary of Revenue when the taxpayer no longer has the right to contest the amount.
- (1c) Foreign corporation. – A corporation as defined in G.S. 55-1-40.
- (1d) Foreign entity. – A foreign corporation, a foreign limited liability company, or a foreign partnership.
- (1e) Foreign limited liability company. – A company as defined in G.S. 57C-1-03.
- (1f) Foreign partnership. – One of the following that does not have a permanent place of business in this State:
  - a. A foreign limited partnership as defined in G.S. 59-102.
  - b. A general partnership formed under the laws of a jurisdiction other than this State.
- (2) Irrigation construction or irrigation contracting. – The act of providing services as an irrigation contractor for compensation or other consideration.
- (3) Irrigation contractor. – Any person who, for compensation or other consideration, constructs, installs, expands, services, or repairs irrigation systems.
- (4) Irrigation system. – All piping, fittings, sprinklers, drip tubing, valves, control wiring of 30 volts or less, and associated components installed for the delivery and application of water for the purpose of irrigation that are downstream of a well, pond or other surface water, potable water or



1 groundwater source, or grey water source and downstream of a backflow  
2 prevention assembly. Surface water, potable water or groundwater sources,  
3 water taps, utility piping, water service lines, water meters, backflow  
4 prevention assemblies, stormwater systems that service only the interior of a  
5 structure, and sanitary drainage systems are not part of an irrigation system.

6 (4a) Nonresident individual. – An individual who is not a resident of this State.

7 (5) Person. – An individual, firm, partnership, association, corporation, or other  
8 legal entity."

9 **SECTION 2.** G.S. 89G-3 reads as rewritten:

10 **"§ 89G-3. Exemptions.**

11 The provisions ~~in~~ of this Chapter shall not apply to:

- 12 (1) Any federal or State agency or any political subdivision performing  
13 irrigation construction or irrigation contracting work on public  
14 ~~property~~ property and using its own employees.
- 15 (2) Any property owner who performs irrigation construction ~~or contracting~~  
16 work on his or her own property.
- 17 (3) A landscape architect registered under Chapter 89A of the General Statutes.
- 18 (4) A professional engineer licensed under Chapter 89C of the General Statutes.
- 19 (5) Any irrigation construction or irrigation contracting work where the price of  
20 all contracts for labor, material, and other items for a given jobsite is less  
21 than two thousand five hundred dollars (\$2,500).
- 22 (6) Any person performing irrigation construction or irrigation contracting work  
23 for temporary irrigation to establish vegetative cover for erosion control.
- 24 (7) Any person performing irrigation construction or irrigation contracting work  
25 to control dust on commercial construction sites or mining operations.
- 26 (8) Any person performing irrigation construction or irrigation contracting work  
27 for use in agricultural production, farming, or ranching, including land  
28 application of animal wastewater.
- 29 (9) Any person performing irrigation construction or irrigation contracting work  
30 for use in commercial sod production.
- 31 (10) Any person performing irrigation construction or irrigation contracting work  
32 for use in the commercial production of horticultural crops, including  
33 nursery and greenhouse operators.
- 34 (11) A general contractor licensed under Article 1 of Chapter 87 of the General  
35 ~~Statutes~~ Statutes who possesses a classification under G.S. 87-10(b) as a  
36 building contractor, a residential contractor, or a public utilities contractor  
37 when the contractor uses the contractor's own employees to perform  
38 irrigation construction or irrigation contracting work. A public utilities  
39 contractor exempted by this subdivision may perform only the activities  
40 described in G.S. 87-10(b)(3)a.
- 41 (12) A wastewater contractor certified under Article 5 of Chapter 90A of the  
42 General Statutes who performs only the construction of or repair to a  
43 wastewater dispersal system.
- 44 (13) ~~A public utility contractor licensed under Article 1 of Chapter 87 of the~~  
45 ~~General Statutes.~~
- 46 (14) A plumbing contractor licensed under Article 2 of Chapter 87 of the General  
47 Statutes who performs only the following work: installation, repairs, or  
48 maintenance of water mains, water taps, service lines, water meters, or  
49 backflow prevention assemblies supplying water for irrigation systems; or  
50 repairs to an irrigation system.

- 1 (15) Any person performing irrigation construction or irrigation contracting work  
2 for a golf course.
- 3 (16) Any ~~person~~full-time employee of a homeowners association maintaining or  
4 repairing an irrigation system owned by the homeowners association of a  
5 planned community and located within the planned community's common  
6 elements as defined in G.S. 47F-1-103.
- 7 (17) Any unlicensed person or entity who enters into a subcontract with a North  
8 Carolina licensed irrigation contractor, where the irrigation work is  
9 performed entirely by the North Carolina licensed irrigation contractor in  
10 accordance with this Chapter."

11 **SECTION 3.** G.S. 89G-5(11) reads as rewritten:

12 **"§ 89G-5. Powers and duties.**

13 The Board shall have the following powers and duties:

14 ...

- 15 (11) To require licensees to file and maintain an adequate surety ~~bond~~bond or  
16 letter of credit.

17 ...."

18 **SECTION 4.** Chapter 89G of the General Statutes is amended by adding a new  
19 section to read:

20 **"§ 89G-6.1. Licensing of business entities, nonresident individuals, and foreign entities.**

21 (a) The Board may issue a license in the name of a business entity if the business entity  
22 pays the license fee required by G.S. 89G-10 and one of the following applies:

- 23 (1) For a corporation, one or more officers or full-time employees empowered to  
24 act for the corporation are individuals licensed under this Chapter and only  
25 the individuals licensed under this Chapter execute contracts for irrigation  
26 construction and irrigation contracting.
- 27 (2) For a limited liability company, one or more managers or executives as  
28 defined in G.S. 57C-1-03 or full-time employees empowered to act for the  
29 company are individuals licensed under this Chapter and only the individuals  
30 licensed under this Chapter execute contracts for irrigation construction and  
31 irrigation contracting.
- 32 (3) For a partnership, one or more general partners or full-time employees  
33 empowered to act for the partnership are individuals licensed under this  
34 Chapter and only the individuals licensed under this Chapter execute  
35 contracts for irrigation construction and irrigation contracting.
- 36 (4) For a business entity using an assumed name or designated trade name, the  
37 owner or one or more full-time employees empowered to act for the owner  
38 are individuals licensed under this Chapter and only the individuals licensed  
39 under this Chapter execute contracts for irrigation construction and irrigation  
40 contracting.

41 (b) The Board may issue a license to a nonresident individual who meets the  
42 requirements for licensure under this Chapter. A nonresident individual licensed under this  
43 Chapter may qualify as the licensed individual under subdivisions (1), (2), and (3) of subsection  
44 (a) of this section.

45 (c) The Board may issue a license in the name of a foreign entity if the following apply:

- 46 (1) For a foreign corporation, the corporation has obtained a certificate of  
47 authority from the Secretary of State pursuant to Article 15 of Chapter 55 of  
48 the General Statutes and complies with the requirements of subdivision (1)  
49 of subsection (a) of this section.
- 50 (2) For a foreign limited liability company, the company has obtained a  
51 certificate of authority from the Secretary of State pursuant to Article 7 of

Chapter 57C of the General Statutes and complies with the requirements of subdivision (2) of subsection (a) of this section.

(3) For a foreign partnership, the partnership complies with the requirements of subdivision (3) of subsection (a) of this section.

(d) When the Board issues a license to a business entity or a foreign entity under this section, the Board shall indicate on the license the name and license number of the individual licensee required under subsection (a) of this section.

(e) The individual licensee required under subsection (a) of this section shall exercise direct supervision over a contract by a business entity or a foreign entity for irrigation construction or irrigation contracting until the contract is completed.

(f) All of the following shall apply if the individual licensee required under subsection (a) of this section ceases to be an officer, full-time employee, manager, executive, general partner, or owner of the business entity or foreign entity licensed under this section:

(1) The business entity or foreign entity shall provide written notice to the Board pursuant to rules adopted by the Board.

(2) The business entity or foreign entity must satisfy the requirements of subsection (a) of this section within 90 days of the effective date of the notice required under subdivision (1) of this subsection.

The Board shall suspend the license of a business entity or foreign entity licensed under this section that fails after 90 days to satisfy the requirements of subsection (a) of this section."

**SECTION 5.** G.S. 89G-9 reads as rewritten:

**"§ 89G-9. License renewal and continuing education.**

(a) Every license issued under this Chapter shall be renewed on or before December 31 of each year. Any person who desires to continue to practice irrigation contracting or irrigation construction shall apply for license renewal and shall submit the required fees. Licenses that are not renewed shall be automatically revoked. A license may be renewed at any time within one year after its expiration, if: (i) the applicant pays the required renewal fee and late renewal fee; (ii) the Board finds that the applicant has not used the license in a manner inconsistent with the provisions of this Chapter or engaged in the practice of irrigation construction or contracting after notice of revocation; and (iii) the applicant is otherwise eligible for licensure under the provisions of this Chapter. When necessary, the Board may require a licensee to demonstrate continued competence as a condition of license renewal.

(b) As a condition of license renewal, ~~a~~an individual licensee shall meet continuing education requirements set by the Board. Each individual licensee shall complete 10 continuing education units per year. ~~Failure to obtain continuing education units shall result in the forfeiture of a license.~~

(c) The Board shall suspend an individual licensee's license for 60 days for failure to obtain continuing education units required by subsection (b) of this section. The Board shall suspend a business entity's or a foreign entity's license for 60 days for failure by the individual licensee required under G.S. 89G-6.1(a) to obtain continuing education units required by subsection (b) of this section. Upon completion of the required continuing education and payment of the reinstatement fee, the Board shall reinstate the license. Failure by an individual licensee to meet the education requirements, to request a reinstatement of the license, or to pay the reinstatement fee within the time provided shall result in the revocation of the license. Upon ~~forfeiture, a person~~revocation, an individual shall be required to submit a new application and retake the examination as provided in this Chapter."

**SECTION 6.** G.S. 89G-10(a) reads as rewritten:

"(a) The Board may impose the following fees not to exceed the amounts listed below:

(1) Application fee \$100.00

(2) Examination fee 200.00

(3) ~~License~~ Individual license fee and individual

1		<u>license renewal fee</u>	100.00
2	(3a)	<u>Business entity or foreign entity license fee</u>	
3		<u>and business entity or foreign entity license</u>	
4		<u>renewal fee</u>	<u>100.00</u>
5	(4)	Late renewal fee	50.00
6	(5)	License by reciprocity	250.00
7	(6)	<del>Corporate license</del> <u>Reinstatement fee</u>	<del>100.00</del> <u>250.00</u>
8	(7)	Duplicate license	25.00."

9 SECTION 7. G.S. 89G-11 reads as rewritten:

10 "§ 89G-11. Disciplinary action.

11 (a) The Board may deny, restrict, suspend, or revoke a license or refuse to issue or  
 12 renew a license if a licensee or applicant:

- 13 (1) Employs the use of fraud, deceit, or misrepresentation in obtaining or  
 14 attempting to obtain a license or the renewal of a license.
- 15 (2) Practices or attempts to practice irrigation construction or contracting by  
 16 fraudulent misrepresentation.
- 17 (3) Commits an act of gross malpractice or incompetence as determined by the  
 18 Board.
- 19 (4) Has been convicted of or pled guilty or no contest to a crime that indicates  
 20 that the person is unfit or incompetent to practice as an irrigation contractor  
 21 or that indicates that the person has deceived or defrauded the public.
- 22 (5) Has been declared incompetent by a court of competent jurisdiction.
- 23 (6) Has willfully violated any provision in this Chapter or any rules adopted by  
 24 the Board.
- 25 (7) Uses or attempts to use the seal in a fraudulent or unauthorized manner.
- 26 (8) Fails to file the required surety bond or letter of credit or to keep the bond or  
 27 letter of credit in force.

28 (b) The Board may assess costs, including reasonable attorneys' fees and investigatory  
 29 costs, in a proceeding under this section against an applicant or licensee found to be in violation  
 30 of this Chapter."

31 SECTION 8. The Revisor of Statutes shall change the phrase "irrigation  
 32 construction or contracting" to "irrigation construction or irrigation contracting" wherever it  
 33 appears in Chapter 89G of the General Statutes.

34 SECTION 9.(a) Any person who can document 10 years in business as an  
 35 irrigation contractor as of January 1, 2009, can document competency in the practice of  
 36 irrigation construction or irrigation contracting, as determined by the North Carolina Irrigation  
 37 Contractors' Licensing Board, and meets all other requirements and qualifications for licensure  
 38 may be issued an irrigation contractor's license under Chapter 89G of the General Statutes,  
 39 without the requirement of examination, provided that the person submits an application for  
 40 licensure to the Board prior to October 1, 2013.

41 SECTION 9.(b) The North Carolina Irrigation Contractors' Licensing Board shall  
 42 notify the North Carolina Cooperative Extension of the provision for licensure of experienced  
 43 irrigation contractors without the requirement of an examination as provided in Section 9(a) of  
 44 this act as quickly as practicable upon the effective date of this section.

45 SECTION 10. Sections 9(a) and 9(b) of this act are effective when this act  
 46 becomes law. The remainder of this act becomes effective October 1, 2013.