SENATE BILL 316:
Gen. Contractors/Plumbing/Electr. Exempt.

2021-2022 General Assembly

Committee:	Senate Commerce and Insurance. If favorable, re-refer to Rules and Operations of the Senate	**Date:**	May 11, 2021
Introduced by:	Sens. Jarvis, Johnson, Britt	**Prepared by:**	Jeremy Ray Committee Co-Counsel
Analysis of:	First Edition		

OVERVIEW: Senate Bill 316 would expand the exception to general contractor licensure for licensees under Article 2 and Article 4 to include <u>any</u> building project when certain requirements are met.

****This bill analysis reflects the contents of S316 if the amendment S316-ABH-19 were to be adopted by the committee.***

CURRENT LAW: Article 1 of Chapter 87 regulates general contractors. A general contractor is defined to mean 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 their own behalf or for any person, firm, or corporation that is not licensed as a general contractor the construction of any building, highway, public utilities, grading or any improvement or structure where the cost of the under taking is $30,000 or more, or under takes to erect a North Carolina labeled manufactured modular building meeting the North Carolina State Building Code.

Article 2 and Article 4 regulate Plumbing and Heating Contractors, and Electrical Contractors, respectively.

G.S. 87-1.1 provides an exception to certain bidding and contracting activities that require a general contractor's license for licensees under Article 2 or Article 4 when those licensees contract directly with the owner of a <u>public</u> building project and all of the following requirements are met:

- A licensed general contractor performs all work that falls within G.S. 87-10(b) and State Licensing Board of General Contractor's rules.
- The total amount of the general contracting work does not exceed a percentage of the total bid price as prescribed by administrative rule.
- All work that falls within Article 2 or Article 4 is performed by a licensee under those Articles.

BILL ANALYSIS: Section 1 would modify the exception for general contractor licensure for licensees under Article 2 and Article 4 by deleting the word "public" from the term "public building project," thereby incorporating <u>any</u> building project into the existing exception.

Section 2 would allow temporary rules to be adopted to implement the provisions of the bill.

EFFECTIVE DATE: This act would become effective October 1, 2021.

Jeffrey Hudson
Director

S316-SMBH-35 E1 -V-3

Legislative Analysis Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.