

# TITLE 21 - OCCUPATIONAL LICENSING BOARDS AND COMMISSIONS

## CHAPTER 12 – LICENSING BOARD FOR GENERAL CONTRACTORS

*Notice is hereby given in accordance with G.S. 150B-21.2 that the Licensing Board for General Contractors intends to adopt the rules cited as 21 NCAC 12 .0201, .0402, and amend the rules cited as 21 NCAC 12 .0202, .0204, .0205, .0303, .0308, .0501, .0503, and .0903.*

**Link to agency website pursuant to G.S. 150B-19.1(c):** [www.nclbgc.org](http://www.nclbgc.org)

**Proposed Effective Date:** *September 1, 2019*

**Public Hearing:**

**Date:** *June 19, 2019*

**Time:** *9:00 am*

**Location:** *5400 Creedmoor Road, Raleigh, NC 27612*

**Reason for Proposed Action:**

- |                         |   |
|-------------------------|---|
| <i>21 NCAC 12 .0201</i> | <i>Defines statutory terms.</i>   |
| <i>21 NCAC 12 .0202</i> | <i>Updates classifications to include "demolition".</i>   |
| <i>21 NCAC 12 .0204</i> | <i>Provides for alternative of "agreed-upon procedure" when demonstrating financial responsibility.</i> |
| <i>21 NCAC 12 .0205</i> | <i>Clarifies that a qualifier must be a W-2 employee.</i>   |
| <i>21 NCAC 12 .0303</i> | <i>Clarifies that reciprocity applicants must take and pass the NC law, rule and code exam.</i>         |
| <i>21 NCAC 12 .0308</i> | <i>Provides details re: requirements for character references.</i>                                      |
| <i>21 NCAC 12 .0402</i> | <i>Describes subject matter of examinations.</i>  |
| <i>21 NCAC 12 .0501</i> | <i>Amends the type of documents on which license numbers are required.</i>                              |
| <i>21 NCAC 12 .0503</i> | <i>Provides for alternative of "agreed-upon procedure" when demonstrating financial responsibility.</i> |
| <i>21 NCAC 12 .0903</i> | <i>Clarifies how a claimant must demonstrate that they have attempted execution of a judgment.</i>      |

**Comments may be submitted to:** *C. Frank Wiesner, North Carolina Licensing Board for General Contractors, 5400 Creedmoor Road, Raleigh, NC 27612; phone (919) 571-4183; fax (919) 571-4703; email Frank.Wiesner@nclbgc.org*

**Comment period ends:** *July 15, 2019*

**Procedure for Subjecting a Proposed Rule to Legislative Review:** If an objection is not resolved prior to the adoption of the rule, a person may also submit written objections to the Rules Review Commission after the adoption of the Rule. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive those objections by mail, delivery service, hand delivery, or facsimile transmission. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 919-431-3000.

**Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.**

- State funds affected**  
 **Local funds affected**  
 **Substantial economic impact (>= \$1,000,000)**  
 **Approved by OSBM**  
 **No fiscal note required**

### SECTION .0200 - LICENSING REQUIREMENTS

**21 NCAC 12 .0201 GENERAL DEFINITIONS**

The following definitions shall apply to the Rules in this Chapter:

- (1) Completion: As used in G.S. 87-1(b), occurs upon issuance of a certificate of occupancy by the permitting authority with jurisdiction over the project.
- (2) Cost of the undertaking: As used in G.S. 87-1(a), means the final price of a project, excluding the cost of land, as evidenced by the contract, or in the absence of a contract, permit records, invoices, and cancelled checks.
- (3) Personally: As used in G.S. 87-14(a)(1), "personally" means the physical presence of the owner of the property and excludes the use of a power of attorney.
- (4) Solely for occupancy: As used in G.S. 87-1(b), "solely for occupancy" is restricted to the family of a person, the officers and shareholders of a firm or corporation, and guests and social invitees where no consideration is received. For purposes of G.S. 87-1(b)(2), "family" is defined as a spouse or other family member living in the same household.
- (5) Value: As used in G.S. 87-10(a1), means the same as "cost of the undertaking."

*History Note: Authority G.S. ~~87-1~~; 87-1; 87-10; and 87-14;*

*Eff. February 1, 1976;*  
*Readopted Eff. September 26, 1977;*  
*Amended Eff. January 1, 1983;*  
*Repealed Eff. May 1, ~~1989~~. 1989;*  
*Codifier approved agency's waiver request to reuse rule number:*  
*Eff. September 1, 2019.*

**21 NCAC 12 .0202 CLASSIFICATION**

(a) A general contractor shall be certified in one of the following five classifications:

- (1) Building Contractor. This classification covers all building construction and demolition activity including: commercial, industrial, institutional, and all residential building construction. It includes parking decks; all site work, grading and paving of parking lots, driveways, sidewalks, and gutters; storm drainage, retaining or screen walls, and hardware and accessory structures; and indoor and outdoor recreational facilities including natural and artificial surface athletic fields, running tracks, bleachers, and seating. It also covers work done under the specialty classifications of S(Concrete Construction), S(Insulation), S(Interior Construction), S(Marine Construction), S(Masonry Construction), S(Roofing), S(Metal Erection), S(Swimming Pools), and S(Asbestos), and S(Wind Turbine).
- (2) Residential Contractor. This classification covers all construction and demolition activity pertaining to the construction of residential units that are required to conform to the residential building code adopted by the Building Code Council pursuant to G.S. 143-138; all site work, driveways, sidewalks, and water and wastewater systems ancillary to the aforementioned structures and improvements; and the work done as part of such residential units under the specialty classifications of S(Insulation), S(Interior Construction), S(Masonry Construction), S(Roofing), S(Swimming Pools), and S(Asbestos).
- (3) Highway Contractor. This classification covers all highway construction activity including: grading, paving of all types, installation of exterior artificial athletic surfaces, relocation of public and private utility lines ancillary to a principal project, bridge construction and repair, culvert construction and repair, parking decks, sidewalks, curbs, gutters and storm drainage. It also includes installation and erection of guard rails, fencing, signage and ancillary highway hardware; covers paving and grading of airport and airfield runways, taxiways, and aprons, including the installation of fencing, signage, runway lighting and marking; and work done under the specialty classifications of S(Boring and Tunneling), S(Concrete Construction), S(Marine Construction), S(Railroad Construction), and H(Grading and Excavating).
- (4) Public Utilities Contractor. This classification includes operations that are the performance of construction work on water and wastewater systems and on the subclassifications of facilities set forth in G.S. 87-10(b)(3). The Board shall issue a license to a public utilities contractor that is limited to any of the subclassifications set forth in G.S. 87-10(b)(3) for which the contractor qualifies. A public utilities contractor license covers work done under the specialty classifications of S(Boring and Tunneling), PU(Communications), PU(Fuel Distribution), PU(Electrical-Ahead of Point of Delivery), PU(Water Lines and Sewer Lines), PU(Water Purification and Sewage Disposal), and S(Swimming Pools).
- (5) Specialty Contractor. This classification covers all construction operation and performance of contract work outlined as follows:
  - (A) H(Grading and Excavating). This classification covers the digging, moving, and placing of materials forming the surface of the earth, excluding air and water, in such a manner that the cut, fill, excavation, grade, trench, backfill, or any similar operation may be executed with the use of hand and power tools and machines used for these types of digging, moving, and material placing. It covers work on earthen dams and the use of explosives used in connection with all or any part of the activities described in this Subparagraph. It also includes clearing and grubbing, and erosion control activities.
  - (B) S(Boring and Tunneling). This classification covers the construction of underground or underwater passageways by digging or boring through and under the earth's surface, including the bracing and compacting of such passageways to make them safe for the purpose intended. It includes preparation of the ground surfaces at points of ingress and egress.
  - (C) PU (Communications). This classification covers the installation of the following:
    - (i) all types of pole lines, and aerial and underground distribution cable for telephone systems;
    - (ii) aerial and underground distribution cable for cable TV and master antenna TV systems capable of transmitting R.F. signals;
    - (iii) underground conduit and communication cable including fiber optic cable; and
    - (iv) microwave systems and towers, including foundations and excavations where required, when the microwave systems are being used for the purpose of transmitting R.F. signals; and installation of PCS or cellular telephone towers and sites.
  - (D) S(Concrete Construction). This classification covers the ~~construction~~ construction, demolition, and installation of foundations, pre-cast silos, and other concrete tanks or receptacles, prestressed components, and gunite applications, but excludes bridges, streets, sidewalks, curbs, gutters, driveways, parking lots, and highways.
  - (E) PU(Electrical-Ahead of Point of Delivery). This classification covers the construction, installation, alteration, maintenance, or repair of an electrical wiring system, including sub-stations or components thereof, which is or is intended to be owned, operated, and maintained by an electric power supplier, such as a public or private

- utility, a utility cooperative, or any other properly franchised electric power supplier, for the purpose of furnishing electrical services to one or more customers.
- (F) PU(Fuel Distribution). This classification covers the construction, installation, alteration, maintenance, or repair of systems for distribution of petroleum fuels, petroleum distillates, natural gas, chemicals, and slurries through pipeline from one station to another. It includes all excavating, trenching, and backfilling in connection therewith. It covers the installation, replacement, and removal of above ground and below ground fuel storage tanks.
- (G) PU(Water Lines and Sewer Lines). This classification covers construction work on water and sewer mains, water service lines, and house and building sewer lines, as defined in the North Carolina State Building Code, and covers water storage tanks, lift stations, pumping stations, and appurtenances to water storage tanks, lift stations and pumping stations. It includes pavement patching, backfill, and erosion control as part of construction.
- (H) PU(Water Purification and Sewage Disposal). This classification covers the performance of construction work on water and wastewater systems; water and wastewater treatment facilities; and all site work, grading, and paving of parking lots, driveways, sidewalks, and curbs and gutters that are ancillary to such construction of water and wastewater treatment facilities. It covers the work done under the specialty classifications of S(Concrete Construction), S(Insulation), S(Interior Construction), S(Masonry Construction), S(Roofing), and S(Metal Erection) as part of the work on water and wastewater treatment facilities.
- (I) S(Insulation). This classification covers the installation, alteration, or repair of materials classified as insulating media used for the non-mechanical control of temperatures in the construction of residential and commercial buildings. It does not include the insulation of mechanical equipment, and ancillary lines and piping.
- (J) S(Interior Construction). This classification covers the installation and demolition of acoustical ceiling systems and panels, ~~partitions (load bearing and non load bearing)~~, load bearing and non-load bearing partitions, lathing and plastering, flooring and finishing, interior recreational surfaces, window and door installation, and installation of fixtures, cabinets, and millwork. It includes the removal of asbestos and replacement with non-toxic substances.
- (K) S(Marine Construction). This classification covers all marine construction and repair activities and all types of marine construction and demolition in deep-water installations and in harbors, inlets, sounds, bays, and channels; it covers dredging, construction, and installation of pilings, piers, decks, slips, docks, and bulkheads. It does not include structures required on docks, slips, and piers.
- (L) S(Masonry Construction). This classification covers the demolition and installation, with or without the use of mortar or adhesives, of the following:
- (i) brick, concrete block, gypsum partition tile, pumice block, or other lightweight and facsimile units and products common to the masonry industry;
  - (ii) installation of fire clay products and refractory construction; and
  - (iii) installation of rough cut and dressed stone, marble panels and slate units, and installation of structural glazed tile or block, glass brick or block, and solar screen tile or block.
- (M) S(Railroad Construction). This classification covers the building, construction, and repair of railroad lines including:
- (i) the clearing and filling of rights-of-way;
  - (ii) shaping, compacting, setting, and stabilizing of road beds;
  - (iii) setting ties, tie plates, rails, rail connectors, frogs, switch plates, switches, signal markers, retaining walls, dikes, fences, and gates; and
  - (iv) construction and repair of tool sheds and platforms.
- (N) S(Roofing). This classification covers the ~~installation~~ installation, demolition, and repair of roofs and decks on residential, commercial, industrial, and institutional structures requiring materials that form a water-tight and weather-resistant surface. The term "materials" for purposes of this Subparagraph includes cedar, cement, asbestos, clay tile and composition shingles, all types of metal coverings, wood shakes, single ply and built-up roofing, protective and reflective roof and deck coatings, sheet metal valleys, flashings, gravel stops, gutters and downspouts, and bituminous waterproofing.
- (O) S(Metal Erection). This classification covers:
- (i) the field fabrication, demolition, erection, repair, and alteration of architectural and structural shapes, plates, tubing, pipe and bars, not limited to steel or aluminum, that are or may be used as structural members for buildings, equipment, and structure; and
  - (ii) the layout, assembly and erection by welding, bolting, riveting, or fastening in any manner metal products as curtain walls, tanks of all types, hoppers, structural members for buildings, towers, stairs, conveyor frames, cranes and crane runways, canopies, carports, guard rails, signs, steel scaffolding as a permanent structure, rigging, flagpoles, fences, steel and aluminum siding, bleachers, fire escapes, and seating for stadiums, arenas, and auditoriums.
- (P) S(Swimming Pools). This classification covers the construction, demolition, service, and repair of all swimming pools. It includes:
- (i) excavation and grading;
  - (ii) construction of concrete, gunite, and plastic-type pools, pool decks, and walkways, and tiling and coping; and

- (iii) installation of all equipment including pumps, filters, and chemical feeders. It does not include direct connections to a sanitary sewer system or to portable water lines, nor the grounding and bonding of any metal surfaces or the making of any electrical connections.
- (Q) S(Asbestos). This classification covers renovation or demolition activities involving the repair, maintenance, removal, isolation, encapsulation, or enclosure of Regulated Asbestos Containing Materials (RACM) for any commercial, industrial, or institutional building, whether public or private. It also covers all types of residential building construction involving RACM during renovation or demolition activities. This specialty is required only when the cost of asbestos activities as described herein are equal to or exceed thirty thousand dollars (\$30,000).
- (R) S(Wind Turbine). This classification covers the construction, demolition, installation, and repair of wind turbines, wind generators, and wind power units. It includes assembly of blades, generator, turbine structures, and towers. It also includes ancillary foundation work, field fabrication of metal equipment, and structural support components.

(b) An applicant may be licensed in more than one classification of general contracting provided the applicant meets the qualifications for the classifications, which includes passing the examinations for the ~~classifications in question~~ classification requested by the applicant. The license granted to an applicant who meets the qualifications for all of the classifications set forth in the rules of this Section shall be designated "unclassified."

*History Note: Authority G.S. 87-1; 87-4; 87-10;  
Eff. February 1, 1976;  
Readopted Eff. September 26, 1977;  
Amended Eff. June 1, 1994; June 1, 1992; May 1, 1989; January 1, 1983;  
Temporary Amendment Eff. February 18, 1997;  
Amended Eff. April 1, 2014; June 1, 2011; September 1, 2009; April 1, 2004; April 1, 2003; August 1, 2002; April 1, 2001; August 1, 2000; August 1, 1998;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;  
Amended Eff. September 1, 2019; April 1, 2018.*

#### **21 NCAC 12 .0204 LICENSE LIMITATIONS; ELIGIBILITY**

(a) All licenses shall have an appropriate limitation as set forth in this Rule.

(b) Limited License. The applicant for a limited license shall:

- (1) meet the requirements set out in G.S. 87-10 and Section .0400 of this Chapter;
- (2) ~~be financially stable to the extent that the total current~~ have assets of the applicant or the firm or corporation he or she ~~represents that~~ exceed the total ~~current~~ liabilities by at least seventeen thousand dollars (\$17,000) or ~~the~~ have a total net worth of the applicant or firm is at least eighty thousand dollars (\$80,000);
- (3) pass the examination which shall contain subject matter related to the specific contracting classification chosen by the applicant with a score as set out in Rule .0404 of this Chapter; and
- (4) if the applicant or any owner, principal, or qualifier is in bankruptcy or has been in bankruptcy within five years prior to the filing of the application, provide to the Board an agreed-upon procedures report on a form provided by the Board or an audited financial statement with a classified balance sheet as part of the application. This requirement shall not apply to shareholders of an applicant that is a publicly traded corporation.

(c) Intermediate License. The applicant for an intermediate license shall:

- (1) meet the requirements set out in G.S. 87-10 and Section .0400 of this Chapter;
- (2) ~~be financially stable to the extent that the total current~~ have assets of the applicant or the firm or corporation he or she ~~represents that~~ exceed the total ~~current~~ liabilities by at least seventy-five thousand dollars (\$75,000), as reflected in an agreed-upon procedures report on a form provided by the Board or an audited financial statement prepared by a certified public accountant or an independent accountant who is engaged in the public practice of accountancy; and
- (3) pass the examination which shall contain subject matter related to the specific contracting classification chosen by the applicant with a score as set out in Rule .0404 of this Chapter.

(d) Unlimited License. The applicant for an unlimited license shall:

- (1) meet the requirements set out in G.S. 87-10 and Section .0400 of this Chapter;
- (2) ~~be financially stable to the extent that the total current~~ have assets of the applicant or the firm or corporation he or she ~~represents that~~ exceed the total ~~current~~ liabilities by at least one hundred fifty thousand dollars (\$150,000), as reflected in an agreed-upon procedures report on a form provided by the Board or an audited financial statement prepared by a certified public accountant or an independent accountant who is engaged in the public practice of accountancy;
- (3) pass the examination which shall contain subject matter related to the specific contracting classification chosen by the applicant with a score as set out in Rule .0404 of this Chapter.

(e) Surety Bonds. In lieu of demonstrating the level of working capital as required in Subparagraphs (c)(2) and (d)(2) of this Rule or net worth under Subparagraph (b)(2) of this Rule, an applicant may obtain a surety bond from a surety authorized to transact surety business in North Carolina pursuant to G.S. 58 Articles 7, 16, 21, or 22. The surety shall maintain a rating from A.M. Best, or its successor rating organization, of either Superior (A++ or A+) or Excellent (A or A-). The bond shall be continuous in form and shall be maintained in effect for as long as the applicant maintains a license to practice general contracting in North Carolina or until the applicant demonstrates the required level of working capital as required by Subparagraphs (c)(2) and (d)(2) of this Rule. The applicant shall submit proof of a surety bond meeting the requirements of this Rule with the application form and subsequent annual license renewal forms. ~~forms shall require proof of a surety bond meeting the requirements of this Rule.~~ The applicant shall maintain the bond in the amount

of ~~three hundred fifty one hundred seventy-five thousand dollars (\$350,000)~~ \$175,000 for a limited license, ~~one million five hundred thousand dollars (\$1,000,000)~~ \$500,000 for an intermediate license, and ~~two one million dollars (\$2,000,000)~~ \$1,000,000 for an unlimited license. The bond shall list the State of North Carolina as obligee and be for the benefit of any person who is damaged by an act or omission of the applicant constituting breach of a construction contract, breach of a contract for the furnishing of labor, materials, or professional services to construction undertaken by the applicant, or by an unlawful act or omission of the applicant in the performance of a construction contract. The bond required by this Rule shall be in addition to and not in lieu of any other bond required of the applicant by law, regulation, or any party to a contract with the applicant. Should the surety cancel the bond, the surety and the applicant both shall notify the Board within 30 days in writing. If the applicant fails to provide written proof of financial responsibility in compliance with this Rule within 30 days of the bond's cancellation, then the applicant's license shall be suspended until written proof of compliance is provided.

(f) Financial statements, accounting, and reporting standards. Financial statements submitted by applicants to the Board shall be no older than twelve months from the date of submission. Financial statements shall conform to United States "generally accepted accounting principles" (GAAP). The Board may require non-GAAP financial statements from applicants wherein the only exception to GAAP is that such presentation is necessary to ascertain the working capital or net worth of the particular applicant. Examples of the circumstances when non-GAAP presentation may be necessary to ascertain the working capital or net worth of the applicant shall be when the only exception to GAAP is that assets and liabilities are classified as "current" and "noncurrent" on personal financial statements and when the only exception to GAAP is that the particular applicant is not combined with a related entity into one financial statement pursuant to AICPA Financial Interpretation 46R (ASC 810). The terminologies, working capital, balance sheet with current and fixed assets, current and long term liabilities, and any other accounting terminologies, used herein shall be construed in accordance with GAAP Standards as promulgated by the Financial Accounting Standards Board (FASB). The terminologies, audited financial statement, unqualified opinion, and any other auditing terminologies used herein shall be construed in accordance with those standards referred to as "generally accepted auditing standards" (GAAS) as promulgated by the American Institute of Certified Public Accountants (AICPA).

*History Note: Authority G.S. 87-1; 87-4; 87-10; 87-15.1;  
Eff. February 1, 1976;  
Readopted Eff. September 26, 1977;  
Amended Eff. January 1, 1983;  
ARRC Objection March 19, 1987;  
Amended Eff. May 1, 1989; August 1, 1987;  
Temporary Amendment Eff. June 28, 1989 for a Period of 155 Days to Expire on December 1, 1989;  
Amended Eff. December 1, 1989;  
Temporary Amendment Eff. May 31, 1996;  
RRC Removed Objection Eff. October 17, 1996;  
Amended Eff. August 1, 1998; April 1, 1997;  
Temporary Amendment Eff. August 24, 1998;  
Amended Eff. April 1, 2014; April 1, 2013; August 1, 2008; April 1, 2006; March 1, 2005; August 1, 2002; April 1, 2001; August 1, 2000;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;  
Amended Eff. September 1, 2019; April 1, 2018.*

## **21 NCAC 12 .0205 QUALIFIER**

(a) The qualifier for the applicant shall be a responsible managing employee, officer, or member of the personnel of the ~~applicant, as described in G.S. 87-10: applicant.~~ A person may serve as a qualifier for no more than two licenses. A qualifier's examination credentials shall archive if the qualifier does not serve as a qualifier for an active licensee for a period of four consecutive years. ~~Any subsequent attempts to qualify for a license shall require the qualifier to~~ Once a qualifier's examination credentials archive, he or she shall retake the examination and earn a passing grade. grade in accordance with Rule .0404 of this Chapter to serve as a qualifier.

(b) Subject to the provisions of G.S. 150B and Section .0800 of these Rules, the Board may reject the application of an applicant seeking qualification by employment of a person who has already passed an examination if such person has previously served as qualifier for a licensee that has been disciplined by the Board.

~~(b)(c)~~ (c) A licensee shall notify the Board in writing in the event a qualifier ceases to be connected with the licensee. The notice shall include the date on which the qualifier was last connected with the licensee and shall be submitted no later than 10 days after the date of separation. A qualifier shall also be required to notify the Board in writing in such circumstances. After such notice is filed with the Board in writing, or the Board determines that the qualifier is no longer connected with the ~~licensee licensee,~~ and if there are no additional qualifiers for the licensee, the license shall remain in full force and effect for a period of 90 days from the termination date, and then becomes invalid unless a qualifier has transferred a valid examination credential to the licensee, as provided by be invalidated in accordance with G.S. 87-10.

~~(e)(d)~~ (d) Persons associated with a firm or corporation may take the required examination on behalf of the firm or corporation as described in G.S. 87-10. A partner may take an examination on behalf of a partnership.

~~(d)(e)~~ (e) "Responsible managing" as used in G.S. 87-10 ~~shall describe~~ means a person who is engaged in the work of the applicant a minimum of 20 hours per week or a majority of the hours operated by the applicant, whichever is less. If the person described herein is not an owner, officer, or partner of the applicant or licensee, the person must be a W-2 employee.

~~(e)(f)~~ (f) "Members of the personnel" as used in G.S. 87-10 ~~shall describe~~ means a person who is a responsible managing employee of the ~~applicant, applicant or licensee.~~ applicant or licensee. A member of the personnel must be a W-2 employee and shall not be an independent contractor. ~~contractor of the applicant or licensee.~~

~~(f)(g)~~ An applicant or licensee may have more than one qualifier. If one person associated with the applicant fails, and another passes, the license ~~will~~ shall be granted to that applicant. A license ~~will~~ shall be issued only in the classification held by a qualifier who has passed an examination in that classification.

*History Note:* Authority G.S. 87-1; 87-4; 87-10; 87-11(a);  
Eff. February 1, 1976;  
Readopted Eff. September 26, 1977;  
Amended Eff. April 1, 2014; July 1, 2008; April 1, 2006; August 1, 2000; June 1, 1994; June 1, 1992; May 1, 1989;  
July 1, 1987;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;  
Amended Eff. September 1, 2019; September 1, 2018; April 1, 2018.

## SECTION .0300 - APPLICATION PROCEDURE

### 21 NCAC 12 .0303 APPLICATION FOR LICENSURE

(a) General. Applications for licensure shall contain the following:

- (1) the Social Security Number of examinee(s) and qualifier(s) and tax identification numbers for corporate applicants;
- (2) the applicant's contact information;
- (3) the name of business under which the licensee will be operating, if any;
- (4) requested designation of license limitation and classifications;
- (5) information about all crimes of which the applicant has been convicted;
- (6) certified copies of court records reflecting information regarding all crimes of which the applicant and qualifier(s) have been convicted;
- (7) information indicating whether the applicant or qualifier(s) has any disciplinary history with the Board or any other occupational licensing, registration, or certification agency;
- (8) information establishing financial responsibility as required by G.S. 87-10(a) and Rule .0204 of this Chapter;
- (9) letters of reference as prescribed in Rule .0308 of this Chapter; and
- (10) the application fee as set forth in Rule .0304 of this Chapter.

~~(b) Contents. The application form requires the applicant to state which limitation and classification or classifications of license he or she is applying for and also to set forth the experience of the applicant or of his or her principal employees, as appropriate. In addition, the application form requires the applicant to give information concerning his or her personal history, including personal references.~~

~~(c)(b)~~ Reciprocity. Applicants based on reciprocity shall submit with the application form a copy of the applicant's license in the other state, certified by the other state licensing board as being a copy of a valid license. Applicants shall have taken and passed the exam offered in the state from which they are seeking reciprocity, or an examination offered by the National Association of State Contractors Licensing Agencies (NASCLA). Applicants shall also be required to take and pass the Board's North Carolina law, rule, and building code examination prior to licensure.

*History Note:* Authority G.S. 87-1; 87-10;  
Eff. February 1, 1976;  
Readopted Eff. September 26, 1977;  
Amended Eff. May 1, 1989;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;  
Amended Eff. September 1, 2019; April 1, 2018.

### 21 NCAC 12 .0308 CHARACTER REFERENCES

~~(a) The Board will request each person, firm or corporation named in an application form as a character reference by the Each applicant to shall submit to the Board a three written evaluation evaluations of the applicant as to the character reference's general knowledge of and experience with the applicant. If the applicant is a legal entity, character references shall be submitted for all individuals who sign the application on behalf of the applicant. If the applicant is a sole proprietorship, character references shall be for the applicant itself.~~

~~(b) All character references shall include:~~

- ~~(1) name of the person submitting the reference;~~
- ~~(2) mailing address, phone number, and email address of the person submitting the reference;~~
- ~~(3) date of the reference; and~~
- ~~(4) information regarding the reference's knowledge of and experience with the applicant or person about whom the reference is being provided.~~

~~(c) Character references shall be completed and dated no more than 12 months prior to the date the reference is submitted to the Board.~~

*History Note:* Authority G.S. 87-1; 87-10;  
Eff. February 1, 1976;  
Readopted Eff. September 26, 1977;  
Amended Eff. May 1, 1989;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, ~~2016~~, 2016;  
Amended Eff. September 1, 2019.

## SECTION .0400 - EXAMINATION

## 21 NCAC 12 .0402 SUBJECT MATTER

(a) Examinations for licensure shall ascertain the following:

- (1) The criteria set out in G.S. 87-10(b); and
- (2) The qualifiers's knowledge of the practice of general contracting within the specific classification(s) he or she is seeking to be qualified as described in Rule .0202 of this Chapter.

(b) As a part of the Board's examination process, all applicants, including those seeking reciprocity from other jurisdictions, shall be tested on the Board's laws and rules.

*History Note: Authority G.S. 87-1; 87-10;  
Eff. February 1, 1976;  
Readopted Eff. September 26, 1977;  
Amended Eff. August 1, 2000; June 1, 1994; May 1, 1989;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;  
Repealed Eff. April 1, 2018; 2018;  
Codifier approved agency's waiver request to reuse rule number;  
Eff. September 1, 2019.*

## SECTION .0500 - LICENSE

### 21 NCAC 12 .0501 LICENSE GRANTED

(a) License numbers shall be included on all ~~contracts, contracts and bids, advertisements, and licensee websites.~~

(b) If a licensee files Articles of Dissolution or the N.C. Department of the Secretary of State withdraws the licensee's Certificate of Authority, the Board shall archive the license.

*History Note: Authority G.S. 87-1; 87-10; 87-12;  
Eff. February 1, 1976;  
Readopted Eff. September 26, 1977;  
Amended Eff. May 1, 1989;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;  
Amended Eff. September 1, 2019; April 1, 2018.*

### 21 NCAC 12 .0503 RENEWAL OF LICENSE

(a) Applications for renewal of license shall contain the following:

- (1) the Social Security Number of the applicant and qualifier(s) and tax identification number for corporations, LLCs, or partnerships;
- (2) the applicant's contact information;
- (3) the name of business under which licensee will be operating, if any;
- (4) information regarding any changes made in the status of the licensee's business, since the initial application or last renewal was submitted to the Board, whichever is later;
- (5) confirmation of license limitation and classifications;
- (6) information about all crimes of which the applicant has been convicted since the initial application or last renewal was submitted to the Board, whichever is later;
- (7) documentation regarding all crimes referenced above;
- (8) information indicating whether the applicant has any disciplinary history with any other occupational licensing, registration, or certification agency since the initial application or last renewal was submitted to the Board, whichever is later;
- (9) ~~a financial statement prepared by a representative of the licensee on a form provided by the Board, a certified public accountant, or an independent accountant who is engaged in the public practice of accountancy to demonstrate an attestation that the applicant maintains~~ continued financial responsibility pursuant to Rule .0204 of this Chapter;
- (10) if applicable, proof that the surety bond is maintained in compliance with Rule .0204 of this Chapter; and
- (11) the application fee and any accrued late fees as set forth in Rule .0304 of this Chapter.

(b) A licensee shall submit an audited financial statement as evidence of continued financial responsibility in accordance with Rule .0204 of this Chapter if the Board finds that the licensee is insolvent, financially unstable, or unable to meet its financial responsibilities based upon the information provided in the renewal application.

(c) A licensee shall provide the Board with a copy of any bankruptcy petition filed by the licensee within 30 days of its filing. A licensee in bankruptcy shall provide to the Board an agreed-upon procedures report on a form provided by the Board or an audited financial statement with a classified balance sheet as part of any application for renewal.

(d) A corporate license shall not be renewed unless it is in good standing with the N.C. Department of the Secretary of State.

(e) Upon receipt of a written request by or on behalf of a licensee who is currently in good standing with the Board, is serving in the armed forces of the United States, and to whom G.S. 105-249.2 grants an extension of time to file a tax return, the Board shall grant that same extension of time for complying with renewal application deadlines, for paying renewal fees, and for meeting any other requirement or conditions related to the maintenance or renewal of the license issued by the Board. The applicant shall furnish to the Board a copy of the military orders or the extension approval by the Internal Revenue Service or by the North Carolina Department of Revenue.

*History Note:* Authority G.S. 87-1; 87-4;87-10; 87-12; 87-13; 93B-15;  
Eff. February 1, 1976;  
Readopted Eff. September 26, 1977;  
ARRC Objection March 19, 1987;  
Amended Eff. May 1, 1989; August 1, 1987;  
Temporary Amendment Eff. June 28, 1989 for a period of 155 Days to Expire on December 1, 1989;  
Amended Eff. December 1, 1989;  
RRC Removed Objection of March 19, 1987 Eff. August 20, 1992 based on subsequent amendment;  
Amended Eff. September 1, 1992;  
Temporary Amendment Eff. May 31, 1996;  
Amended Eff. April 1, 2014; June 1, 2011; June 1, 2003; April 1, 2003; August 1, 2002; April 1, 1997;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;  
Amended Eff. September 1, 2019; April 1, 2018.

## SECTION .0900 – HOMEOWNERS RECOVERY FUND

### 21 NCAC 12 .0903 APPLICATION FOR PAYMENT

(a) ~~Applicants desiring to obtain payment from the fund shall file a verified application with the Board on a prescribed form. The form shall require information concerning the applicant and the claim including, but not limited to, Homeowners meeting the requirements of G.S. 87-15.8 who wish to file for reimbursement from the Homeowners Recovery Fund shall provide the following information on an application prescribed by the Board:~~

- (1) the applicant's name and address,
- (2) the amount of the claim,
- (3) a description of the acts of the general contractor which constitute the grounds for the ~~claim~~ claim, and
- (4) a statement that ~~all court proceedings are concluded~~ the applicant has exhausted all civil remedies or the general contractor has filed for bankruptcy.

Requests for the application form shall be directed to the Board at the address shown in Rule .0101 of this Chapter.

(b) If the applicant has exhausted all civil remedies pursuant to ~~G.S. 87-15.8(3); G.S. 87-15.8(3)(a)~~, the application shall include certified copies ~~from the civil action~~ of the complaint, ~~judgment~~ judgment, and return of execution marked as ~~unsatisfied.~~ "unsatisfied."

(c) If the applicant is claiming against a general contractor that was a corporation which was dissolved no later than one year after the date of discovery by the applicant of the facts constituting the dishonest or incompetent conduct, and the applicant did not commence a civil action against the general contractor, then the applicant shall include certified copies of documents evidencing the dissolution.

(d) If the applicant has been precluded from filing suit, obtaining a judgment or otherwise proceeding due to the bankruptcy of the general contractor, then the applicant shall submit a certified copy of the bankruptcy petition and any proof of claim, and documents from the bankruptcy court or trustee certifying that the applicant has not and will not receive any payment from the bankruptcy proceeding.

(e) If the applicant is claiming against the estate of a deceased general contractor, then the applicant shall submit a statement from the administrator of the estate certifying that the applicant has not and will not receive any payment from the estate.

(f) If the applicant includes copies of a judgment and return of execution marked as unsatisfied, the applicant must demonstrate that the writ of execution was filed in the following counties:

- (1) where the project at issue was located;
- (2) where the contractor's last known principal place of business was located; and
- (3) if the contractor was a licensee of the Board, the county in which the last address provided to the Board was located.

*History Note:* Authority G.S. 87-15.6; 87-15.7; 87-15.8;  
Eff. January 4, 1993;  
Amended Eff. March 1, 2005; August 1, 1998;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, ~~2016.~~ 2016;  
Amended Eff. September 1, 2019.