

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1999

SESSION LAW 2000-115
SENATE BILL 1316

AN ACT TO REQUIRE ADDITIONAL INFORMATION PRIOR TO THE REEXAMINATION OF CANDIDATES FOR ENGINEERING AND SURVEYING LICENSURE; TO CHANGE THE ANNUAL ENGINEERING AND SURVEYING LICENSE EXPIRATION DATE FOR BUSINESSES; TO AUTHORIZE THE BOARD OF EXAMINERS FOR ENGINEERS AND SURVEYORS TO ADOPT RULES REGULATING THE OPERATION OF ENGINEERING AND LAND SURVEYING OFFICES; AND TO AUTHORIZE SOIL SCIENTISTS LICENSED UNDER CHAPTER 89F OF THE GENERAL STATUTES TO FORM PROFESSIONAL CORPORATIONS UNDER CHAPTER 55B OF THE GENERAL STATUTES AND LIMITED LIABILITY COMPANIES UNDER CHAPTER 57C OF THE GENERAL STATUTES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 89C-14(e) reads as rewritten:

"(e) A candidate failing an examination may apply, and be considered by the Board, for reexamination at the end of six months. The Board shall make such reexamination charge as is necessary to defray the cost of the examination.

A candidate with a combination of three failures or unexcused absences on an examination shall only be eligible after submitting a new application with appropriate application ~~fee,~~ fee and documented evidence of actions taken by the candidate to enhance the candidate's prospects for passing the exam. A candidate with a combination of three failures or unexcused absences may only be considered by the Board for reexamination at the end of ~~12 months.~~ months following the third failure or unexcused absence. After the end of the 12-month period, the applicant may take the examination no more than once every calendar year."

Section 2. G.S. 89C-17 reads as rewritten:

"§ 89C-17. Expirations and renewals of certificates.

Certificates for licensure of corporations and business firms that engage in the practice of engineering or land surveying shall expire on the last day of the month of June following their issuance or renewal and shall become invalid on that date unless renewed. All other certificates ~~Certificates~~ for licensure shall expire on the last day of the month of December next following their issuance or renewal, and shall become invalid on that date unless renewed. When necessary to protect the public health, safety, or welfare, the Board shall require any evidence necessary to establish the continuing competency of engineers and land surveyors as a condition of renewal of licenses.

When the Board is satisfied as to the continuing competency of an applicant, it shall issue a renewal of the certificate upon payment by the applicant of a fee fixed by the Board but not to exceed seventy-five dollars (\$75.00). The secretary of the Board shall notify by mail every person licensed under this Chapter of the date of expiration of the certificate, the amount of the fee required for its renewal for one year, and any requirement as to evidence of continued competency. The notice shall be mailed at least one month in advance of the expiration date of the certificate. Renewal shall be effected at any time during the month of ~~January immediately following~~, immediately following the month of expiration, by payment to the secretary of the Board of a renewal fee, as determined by the Board, which shall not exceed seventy-five dollars (\$75.00). Failure on the part of any registrant to renew the certificate annually in the month of ~~January~~, immediately following the month of expiration, as required above, shall deprive the registrant of the right to practice until renewal has been effected. Renewal may be effected at any time during the first 12 months immediately following its invalidation by payment of the established renewal fee and a late penalty of one hundred dollars (\$100.00). Failure of a licensee to renew the license for a period of 12 months shall require the individual, prior to resuming practice in North Carolina, to submit an application on the prescribed form, and to meet all other requirements for licensure as set forth in Chapter 89C. The secretary of the Board is instructed to remove from the official roster of engineers and land surveyors the names of all licensees who have not effected their renewal by the first day of ~~February~~ the month immediately following the date of their expiration-renewal period. The Board may adopt rules to provide for renewals in distress or hardship cases due to military service, prolonged illness, or prolonged absence from the State, where the applicant for renewal demonstrates to the Board that the applicant has maintained active knowledge and professional status as an engineer or land surveyor, as the case may be. It shall be the responsibility of each licensee to inform the Board promptly concerning change in address. A licensee may request and be granted inactive status. No inactive licensee may practice in this State unless otherwise exempted in this Chapter. A licensee granted inactive status shall pay annual renewal fees but shall not be subject to annual continuing professional competency requirements. A licensee granted inactive status may return to active status by meeting all requirements of the Board, including demonstration of continuing professional competency as a condition of reinstatement."

Section 3. G.S. 89C-24 reads as rewritten:

"§ 89C-24. Licensure of corporations and business firms that engage in the practice of engineering or land surveying.

A corporation or business firm may not engage in the practice of engineering or land surveying in this State unless it is licensed by the Board and has paid an application fee established by the Board in an amount not to exceed one hundred dollars (\$100.00). A corporation or business firm is subject to the same duties and responsibilities as an individual licensee. Licensure of a corporation or business firm does not affect the requirement that all engineering or land surveying work done by the corporation or business firm be performed by or under the responsible charge of individual registrants, nor does it relieve the individual registrants within a corporation or business firm of

their design and supervision responsibilities. The Board may adopt rules regulating the operation of offices and places of business of corporations and business firms licensed under this section to ensure that professional engineering and land surveying services are performed under the supervision of licensed professional engineers and land surveyors.

This section applies to every corporation that is engaged in the practice of engineering or land surveying, regardless of when it was incorporated. A corporation that is not exempt from Chapter 55B of the General Statutes by application of G.S. 55B-15 must be incorporated under that Chapter."

Section 4. G.S. 55B-2(6) reads as rewritten:

"(6) The term 'professional service' means any type of personal or professional service of the public which requires as a condition precedent to the rendering of such service the obtaining of a license from a licensing board as herein defined, and pursuant to the following provisions of the General Statutes: Chapter 83A, 'Architects'; Chapter 84, 'Attorneys-at-Law'; Chapter 93, 'Public Accountants'; and Article 1, 'Practice of Medicine,' Article 2, 'Dentistry,' Article 6, 'Optometry,' Article 7, 'Osteopathy,' Article 8, 'Chiropractic,' Article 9A, 'Nursing Practice Act,' with regard to registered nurses, Article 11, 'Veterinarians,' Article 12A, 'Podiatrists,' Article 18A, 'Practicing Psychologists,' Article 18D, 'Occupational Therapy,' and Article 24, 'Licensed Professional Counselors,' of Chapter 90; Chapter 89C, 'Engineering and Land Surveying'; Chapter 89A, 'Landscape Architects'; Chapter 90B, 'Social Worker Certification Act' with regard to Certified Clinical Social Workers as defined by G.S. 90B-3; Chapter 89E, 'Geologists'; ~~and Chapter 89B, 'Foresters.'~~ Chapter 89B, 'Foresters'; and Chapter 89F, 'North Carolina Soil Scientist Licensing Act'."

Section 5. G.S. 55B-6(a) reads as rewritten:

"(a) Except as provided in subsection (b), a professional corporation may issue shares of its capital stock only to a licensee as defined in G.S. 55B-2, and a shareholder may voluntarily transfer such shares of stock issued to him only to another such licensee. No share or shares of any stock of such corporation shall be transferred upon the books of the corporation unless the corporation has received a certification of the appropriate licensing board that the transferee of such shares is a licensee. Provided, it shall be lawful in the case of professional corporations rendering services as defined in Chapters 83A, 89A, 89C, ~~and 89E, 89E, and 89F,~~ for non-licensed employees of such corporation to own not more than one-third of the total issued and outstanding shares of such corporation. Provided further, subject to any additional conditions that the appropriate licensing board may by rule or order impose in the public interest, it shall be lawful for individuals who are not licensees but who perform professional services on behalf of a professional corporation in another jurisdiction in which the corporation maintains an office, and who are duly licensed to perform professional services under the laws of the other jurisdiction, to be shareholders of the corporation so long as there

is at least one shareholder who is a licensee as defined in G.S. 55B-2, and the corporation renders its professional services in the State only through those shareholders that are licensed in North Carolina. Upon the transfer of any shares of such corporation to a non-licensed employee of such corporation, the corporation shall inform the appropriate licensing board of the name and address of the transferee and the number of shares issued to such nonprofessional transferee. Any share of stock of such corporation issued or transferred in violation of this section shall be null and void. No shareholder of a professional corporation shall enter into a voting trust agreement or any other type of agreement vesting in another person the authority to exercise the voting power of any or all of his stock."

Section 6. G.S. 55B-14(b) reads as rewritten:

"(b) Notwithstanding subsection (a) of this section, in the case of architectural, landscape architectural, engineering or land ~~surveying and geological services,~~ surveying, geological, and soil science services, as defined in Chapters 83A, 89A, 89C, ~~and 89E-89E,~~ and 89F respectively, one corporation may be authorized to provide such of these services where such corporation, and at least one corporate officer who is a stockholder thereof, is duly licensed by the licensing board of each such profession."

Section 7. G.S. 89F-6 reads as rewritten:

"§ 89F-6. Corporate, limited liability company, partnership, or sole proprietorship practice of soil science.

A corporation organized under Chapter 55B of the General Statutes, a limited liability company organized under Chapter 57C of the General Statutes, a partnership, or a sole proprietorship may engage in the practice of soil science in this State. A licensed soil scientist shall be in responsible charge of all practice of soil science by the corporation, limited liability company, partnership, or sole proprietorship."

Section 8. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 4th day of July, 2000.

s/ Marc Basnight
President Pro Tempore of the Senate

s/ Joe Hackney
Speaker Pro Tempore of the House of Representatives

s/ James B. Hunt, Jr.
Governor

Approved 8:37 a.m. this 14th day of July, 2000