

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1149

Short Title: Modular Construction Requirements.

(Public)

Sponsors: Representative Jeffus.

Referred to: Ways and Means.

April 15, 1999

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE THAT A GENERAL CONTRACTOR LICENSE IS
2 REQUIRED FOR THE ERECTION OF A MODULAR BUILDING AND TO
3 PROVIDE A LIMITED EXEMPTION FROM THIS REQUIREMENT FOR
4 CERTAIN MODULAR COMMERCIAL STRUCTURES.
5

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 87-1 reads as rewritten:

8 **"§ 87-1. 'General contractor' defined; exceptions.**

9 For the purpose of this Article any person or firm or corporation who for a fixed price,
10 commission, fee, or wage, undertakes to bid upon or to construct or who undertakes to
11 superintend or manage, on his own behalf or for any person, firm, or corporation that is
12 not licensed as a general contractor pursuant to this Article, the construction of any
13 building, highway, public utilities, grading or any improvement or structure where the
14 cost of the undertaking is thirty thousand dollars (\$30,000) or more, or undertakes to
15 erect a ~~North Carolina labeled manufactured~~ modular building meeting the North Carolina
16 State Building Code, shall be deemed to be a "general contractor" engaged in the business
17 of general contracting in the State of North Carolina.

18 This section shall not apply to persons or firms or corporations furnishing or erecting
19 industrial equipment, power plan equipment, radial brick chimneys, and monuments.

1 This section shall not apply to any person or firm or corporation who constructs or
2 alters a building on land owned by that person, firm or corporation provided such
3 building is intended solely for occupancy by that person and his family, firm, or
4 corporation after completion; and provided further that, if such building is not occupied
5 solely by such person and his family, firm, or corporation for at least 12 months
6 following completion, it shall be presumed that the person, firm, or corporation did not
7 intend such building solely for occupancy by that person and his family, firm, or
8 corporation.

9 This section shall not apply to any person engaged in the business of farming who
10 constructs or alters a building on land owned by that person and used in the business of
11 farming, when such building is intended for use by that person after completion.

12 This section shall not apply to any person that erects a modular building that meets the
13 requirements of G.S. 143-139.1(c)."

14 Section 2. G.S. 143-139.1 reads as rewritten:

15 "**§ 143-139.1. Certification of manufactured buildings, structures or components by**
16 **recognized independent testing laboratory.**—**laboratory; licensure**
17 **requirements for certain commercial buildings.**

18 (a) The State Building Code may provide, in circumstances deemed appropriate by
19 the Building Code Council, for testing, evaluation, inspection, and certification of
20 buildings, structures or components manufactured off the site on which they are to be
21 erected, by a recognized independent testing laboratory having follow-up inspection
22 services approved by the Building Code Council. Approval of such buildings, structures
23 or components shall be evidenced by labels or seals acceptable to the Council. All
24 building units, structures or components bearing such labels or seals shall be deemed to
25 meet the requirements of the State Building Code and this Article without further
26 inspection or payment of fees, except as may be required for the enforcement of the Code
27 relative to the connection of units and components and enforcement of local ordinances
28 governing zoning, utility connections, and foundations permits. The Building Code
29 Council shall adopt and may amend from time to time such reasonable and appropriate
30 rules and regulations as it deems necessary for approval of agencies offering such testing,
31 evaluation, inspection, and certification services and for overseeing their operations. Such
32 rules and regulations shall include provisions to insure that such agencies are independent
33 and free of any potential conflicts of interest which might influence their judgment in
34 exercising their functions under the Code. Such rules and regulations may include a
35 schedule of reasonable fees to cover administrative expenses in approving and overseeing
36 operations of such agencies and may require the posting of a bond or other security
37 satisfactory to the Council guaranteeing faithful performance of duties under the Code.

38 ~~The Building Code Council may also adopt rules to insure that any person that is not~~
39 ~~licensed, in accordance with G.S. 87-1, and that undertakes to erect a North Carolina~~
40 ~~labeled manufactured modular building, meets the manufacturer's installation instructions~~
41 ~~and applicable provisions of the State Building Code. Any such person, before securing a~~
42 ~~permit to erect a modular building, shall provide the code enforcement official proof that~~
43 ~~he has in force for each modular building to be erected a \$5,000 surety bond insuring~~

1 ~~compliance with the regulations of the State Building Code governing installation of~~
2 ~~modular buildings.~~

3 (b) A person that erects a modular building shall be licensed as a general
4 contractor pursuant to Chapter 87 of the General Statutes.

5 (c) Notwithstanding subsection (b) of this section and G.S. 87-1, a person that
6 erects a modular building that meets all of the following requirements shall be licensed as
7 either a general contractor under Chapter 87 of the General Statutes or a set-up contractor
8 under Article 9A of this Chapter:

9 (1) The building is to be erected only for a commercial use.

10 (2) The building is structurally similar to and transported to the site in the
11 same manner as a manufactured home, as determined by rules adopted
12 by the Building Code Council.

13 (3) A building consisting of a single unit is no larger than 2,000 square feet.
14 With respect to a modular building consisting of multiple units, each of
15 which meets the requirements of subdivision (2) of this subsection, no
16 single unit is larger than 1,500 square feet, no more than five units are
17 joined together to form the building, and no units are stacked.

18 (d) Proof of compliance with this section shall be provided to the code
19 enforcement official prior to the issuance of a permit for the erection of the building. The
20 Building Code Council shall adopt rules for the enforcement of this subsection. When
21 the work is performed by a set-up contractor licensed under Article 9A of this Chapter,
22 G.S. 143-143.12(c) shall also apply to the buyer of the modular building."

23 Section 3. This act becomes effective September 1, 1999.