

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

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SENATE BILL 395

Short Title: Plumbing and Heating Contractors.

(Public)

Sponsors: Senator Miller.

Referred to: Commerce.

March 12, 2001

A BILL TO BE ENTITLED

AN ACT TO AMEND CERTAIN PROVISIONS UNDER THE LAWS  
REGULATING PLUMBING AND HEATING CONTRACTORS AND TO  
AUTHORIZE THE BOARD OF EXAMINERS OF PLUMBING, HEATING, AND  
FIRE SPRINKLER CONTRACTORS TO INCREASE FEES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 87-18 reads as rewritten:

**"§ 87-18. Organization meeting; officers; seal; rules; employment of  
personnel; acquire property.**

The Board ~~shall~~shall, within 30 days after its ~~appointment~~appointment, meet in the  
City of Raleigh and organize, and ~~shall~~ elect a ~~chairman and secretary and~~chairman,  
secretary, and treasurer, each to serve for one year. Thereafter ~~said~~the officers shall be  
elected annually. The secretary and treasurer shall give bond approved by the Board for  
the faithful performance of ~~his~~their ~~duties~~duties in ~~such~~the sum as the Board may, from  
time to ~~time~~time, determine. The Board shall have a common seal, shall formulate rules  
to govern its actions, and is hereby authorized to employ ~~such~~ personnel as it may deem  
necessary to carry out the provisions of this Article. The Board shall have the power to  
acquire, hold, rent, encumber, alienate, and otherwise deal with real property in the  
same manner as a private person or corporation, subject only to the approval of the  
Governor and the Council of State as to the acquisition, rental, encumbering, leasing,  
and sale of real property. Collateral pledged by the Board for an encumbrance is limited  
to the assets, income, and revenues of the Board."

**SECTION 2.** G.S. 87-21 reads as rewritten:

**"§ 87-21. Definitions; contractors licensed by Board; examination; posting license,  
etc.**

(a) Definitions. – For the purpose of this Article:

(1) The word "plumbing" is hereby defined to be the system of pipes,  
fixtures, apparatus and appurtenances, installed upon the premises, or

1 in a building, to supply water thereto and to convey sewage or other  
2 waste therefrom.

3 (2) The phrase "heating, group number one" shall be deemed and held to  
4 be the heating system of a building, which requires the use of high or  
5 low pressure steam, vapor or hot water, including all piping, ducts, and  
6 mechanical equipment appurtenant thereto, within, adjacent to or  
7 connected with a building, for comfort heating.

8 (3) The phrase "heating, group number two" means an ~~air conditioning~~  
9 ~~system which consists~~ integral system for heating or cooling a building  
10 consisting of an assemblage of interacting components producing  
11 conditioned air for comfort cooling by the lowering of ~~to raise or lower~~  
12 the temperature, and having a mechanical refrigeration capacity in  
13 excess of fifteen tons, and which circulates air. Systems installed in  
14 single-family residences are included under heating, group number  
15 three, regardless of size.

16 (4) The phrase "heating, group number three" shall be deemed and held to  
17 be a direct heating or cooling system of a building ~~which produces~~  
18 ~~heat to raise~~ that raises or lowers the temperature of the space within  
19 the building for the purpose of comfort in which electric heating  
20 elements or products of combustion exchange heat either directly with  
21 the building supply air or indirectly through a heat exchanger ~~and~~  
22 using an air distribution system of ducts, ducts and having a mechanical  
23 refrigeration capacity of 15 tons or less. A heating system requiring air  
24 distribution ducts and supplied by ground water or utilizing a coil  
25 supplied by water from a domestic hot water heater not exceeding 150  
26 group number one license to extend piping from valved connections in  
27 the domestic hot water system to the heating coil and requires either  
28 heating group number one or heating group number three license for  
29 installation of coil, duct work, controls, drains and related  
30 appurtenances.

31 (5) Any person, firm or corporation, who for a valuable consideration, (i)  
32 installs, alters or restores, or offers to install, alter or restore, either  
33 plumbing, heating group number one, or heating group number two, or  
34 heating group number three, or (ii) lays out, fabricates, installs, alters  
35 or restores, or offers to lay out, fabricate, install, alter or restore fire  
36 sprinklers, or any combination thereof, as defined in this Article, shall  
37 be deemed and held to be engaged in the business of plumbing,  
38 heating, or fire sprinkler contracting; provided, however, that nothing  
39 herein shall be deemed to restrict the practice of qualified registered  
40 professional engineers. Any person who installs a plumbing, heating,  
41 or fire sprinkler system on property which at the time of installation  
42 was intended for sale or to be used primarily for rental is deemed to be  
43 engaged in the business of plumbing, heating, or fire sprinkler

1 contracting without regard to receipt of consideration, unless exempted  
2 elsewhere in this Article.

3 (6) The word "contractor" is hereby defined to be a person, firm or  
4 corporation engaged in the business of plumbing, heating, or fire  
5 sprinkler contracting.

6 (7) The word "heating" shall be deemed and held to mean heating group  
7 number one, heating group number two, heating group number three,  
8 or any combination thereof.

9 (8) Repealed by Session Laws 1997-298, s. 1.

10 (9) The word "Board" means the State Board of Examiners of Plumbing,  
11 Heating, and Fire Sprinkler Contractors.

12 (10) The word "experience" means actual and practical work directly  
13 related to the category of plumbing, heating group number one,  
14 heating group number two, heating group number three, or fire  
15 sprinkler contracting, and includes related work for which a license is  
16 not required.

17 (11) The phrase "fire sprinkler" means an automatic or manual sprinkler  
18 system designed to protect the interior or exterior of a building or  
19 structure from fire, and where the primary extinguishing agent is  
20 water. These systems include wet pipe and dry pipe systems, preaction  
21 systems, water spray systems, foam water sprinkler systems, foam  
22 water spray systems, nonfreeze systems, and circulating closed-loop  
23 systems. These systems also include the overhead piping, combination  
24 standpipes, inside hose connections, thermal systems used in  
25 connection with the sprinklers, tanks, and pumps connected to the  
26 sprinklers, and controlling valves and devices for actuating an alarm  
27 when the system is in operation. This subsection shall not apply to  
28 owners of property who are building or improving farm outbuildings.  
29 This subsection shall not include water and standpipe systems having  
30 no connection with a fire sprinkler system. Nothing herein shall  
31 prevent licensed plumbing contractors, utility contractors, or fire  
32 sprinkler contractors from installing underground water supplies for  
33 fire sprinkler systems.

34 (b) Classes of Licenses; Eligibility and Examination of Applicant; Necessity for  
35 License. –

36 (1) In order to protect the public health, comfort and safety, the Board  
37 shall establish two classes of licenses: Class I covering all plumbing,  
38 heating, and fire sprinkler systems for all structures, and Class II  
39 covering plumbing and heating systems in single-family detached  
40 residential dwellings.

41 (2) ~~Effective April 15, 1998, the~~The Board shall establish and issue a fuel  
42 piping license for use by persons who do not possess the required  
43 Class I or Class II plumbing or heating license, but desire to engage in  
44 the contracting or installing of fuel piping extending from an approved

1 fuel source at or near the premises, which piping is used or may be  
2 used ~~partly or entirely~~ to supply fuel to ~~plumbing or heating systems or~~  
3 ~~equipment or which, by its installation, may alter or affect the fuel~~  
4 ~~supply to plumbing or heating systems or equipment within the~~  
5 ~~meaning of G.S. 87-21(a).~~ any systems, equipment, or appliances  
6 located inside the premises.

7 The Board may also establish additional restricted classifications to  
8 provide for: (i) the licensing of any person, partnership, firm, or  
9 corporation desiring to engage in a specific phase of heating,  
10 plumbing, or fire sprinkling contracting; (ii) the licensing of any  
11 person, partnership, firm, or corporation desiring to engage in a  
12 specific phase of heating, plumbing, or fire sprinkling contracting that  
13 is an incidental part of their primary business, which is a lawful  
14 business other than heating, plumbing, or fire sprinkling contracting;  
15 or (iii) the licensing of persons desiring to engage in contracting and  
16 installing fuel piping from an approved fuel source on the premises to  
17 a point inside the residence.

- 18 (3) The Board shall prescribe the standard of competence, experience and  
19 efficiency to be required of an applicant for license of each class, and  
20 shall give an examination designed to ascertain the technical and  
21 practical knowledge of the applicant concerning the analysis of plans  
22 and specifications, estimating costs, fundamentals of installation and  
23 design, codes, fire hazards, and related subjects as these subjects  
24 pertain to plumbing, heating, or fire sprinkler systems. The  
25 examination for a fire sprinkler contractor's license shall include such  
26 materials as would test the competency of the applicant and which may  
27 include the minimum requirements of certification for Level III,  
28 subfield of Automatic Sprinkler System Layout, National Institute for  
29 Certification of Engineering Technologies (NICET). As a result of the  
30 examination, the Board shall issue a certificate of license of the  
31 appropriate class in plumbing, heating, or fire sprinkler contracting,  
32 and a license shall be obtained, in accordance with the provisions of  
33 this Article, before any person, firm or corporation shall engage in, or  
34 offer to engage in, the business of plumbing, heating, or fire sprinkler  
35 contracting, or any combination thereof. The obtaining of a license, as  
36 required by this Article, shall not of itself authorize the practice of  
37 another profession or trade for which a State qualification license is  
38 required. Prior to taking the examination, the Board may require an  
39 applicant to establish that he or she is at least 18 years of age, has not  
40 been convicted of any misdemeanors or felonies involving moral  
41 turpitude, and is of good moral character. The Board may require  
42 experience as a condition of examination, provided that (i) the  
43 experience required may not exceed two years, (ii) that up to one-half  
44 the experience may be in the form of academic or technical courses of

1 study, and (iii) that registration is not required at the commencement  
2 of the period of experience.

3 (4) Conditions of examination set by the Board shall be uniformly applied  
4 to each applicant within each license classification. It is the purpose  
5 and intent of this section that the Board shall provide an examination  
6 for plumbing, heating group number one, or heating group number  
7 two, or heating group number three, or each restricted classification,  
8 and may provide an examination for fire sprinkler contracting or may  
9 accept a current certification of the National Institute for Certification  
10 in Engineering Technologies for Fire Protection Engineering  
11 Technician, Level III, subfield of Automatic Sprinkler System Layout.

12 (5) The Board is authorized to issue a certificate of license limited to  
13 either plumbing or heating group number one, or heating group  
14 number two, or heating group number three, or fire sprinkler  
15 contracting, or any combination thereof. The Board is also authorized  
16 to issue a certificate of license limited to one or more restricted  
17 classifications that are established pursuant to this section.

18 (6) ~~Each application for examination shall be accompanied by a check,~~  
19 ~~post office money order, or cash, in the amount of the annual license~~  
20 ~~fee required by this Article. Regular examinations~~Examinations shall  
21 ~~be given in the months of April and October of at least twice~~ each year,  
22 and additional examinations may be given ~~at such other times~~ as the  
23 Board ~~may deem~~deems wise and necessary. ~~Any person may demand~~  
24 ~~in writing a special examination, and upon payment by the applicant of~~  
25 ~~the cost of holding such examination and the deposit of the amount of~~  
26 ~~the annual license fee, the Board in its discretion will fix a time and~~  
27 ~~place for such examination. Upon satisfactory proof of the applicant's~~  
28 ~~inability to write and upon demand of an applicant for a Class II~~  
29 ~~plumbing or heating license six weeks prior to an examination, the~~  
30 ~~Board shall conduct the examination of that applicant orally, and shall~~  
31 ~~not require that applicant to take a written examination as to~~  
32 ~~examination inquiries answered other than by preparation of diagrams.~~  
33 ~~Signed statements from two reliable citizens resident in the home~~  
34 ~~county of the applicant shall constitute satisfactory proof of an~~  
35 ~~applicant's inability to write.~~The Board may offer written examinations  
36 or administer examinations by computer within 30 days after  
37 approving an application. Upon passing the examination and paying  
38 the annual license fee, the Board shall issue a license to the applicant.  
39 A person who fails to pass any examination shall not be reexamined  
40 until ~~the next regular examination~~after 90 days from the date the  
41 person was last examined. The Board may require applicants who fail  
42 the examination three times to receive additional education before the  
43 applicant is allowed to retake the examination.

1 (c) To Whom Article Applies. – The provisions of this Article shall apply to all  
2 persons, firms, or corporations who engage in, or attempt to engage in, the business of  
3 plumbing, heating, or fire sprinkler contracting, or any combination thereof as defined  
4 in this Article. The provisions of this Article shall not apply to those who make minor  
5 repairs or minor replacements to an already installed system of plumbing or heating, but  
6 shall apply to those who make repairs, replacements, or modifications to an already  
7 installed fire sprinkler system.

8 (c1) Exemption. – The provisions of this Article shall not apply to a person who  
9 performs the on-site assembly of a factory designed drain line system for a  
10 manufactured home, as defined in G.S. 143-143.9(6), if the person (i) is a licensed  
11 manufactured home retailer, a licensed manufactured home set-up contractor, or a  
12 full-time employee of either, (ii) obtains an inspection by the local inspections  
13 department and (iii) performs the assembly according to the State Plumbing Code.

14 (d) Repealed by Session Laws 1979, c. 834, s. 7.

15 (d1) Expired.

16 (e) Posting License; License Number on Contracts, etc. – The current license  
17 issued in accordance with the provisions of this Article shall be posted in the business  
18 location of the licensee, and its number shall appear on all proposals or contracts and  
19 requests for permits issued by municipalities. The initial qualified licensee on a license  
20 is the permanent possessor of the license number under which that license is issued,  
21 except that a licensee, or the licensee's legal agent, personal representative, heirs or  
22 assigns, may designate in writing to the Board a qualified licensee to whom the Board  
23 shall assign the license number upon the payment of a ten dollar (\$10.00) assignment  
24 fee. Upon such assignment, the qualified licensee becomes the permanent possessor of  
25 the assigned license number. Notwithstanding the foregoing, the license number may be  
26 assigned only to a qualified licensee who has been employed by the initial licensee's  
27 plumbing and heating company for at least 10 years or is a lineal relative, sibling, first  
28 cousin, nephew, niece, daughter-in-law, son-in-law, brother-in-law, or sister-in-law of  
29 the initial licensee. Each successive licensee to whom a license number is assigned  
30 under this subsection may assign the license number in the same manner as provided in  
31 this subsection.

32 (f) Repealed by Session Laws 1971, c. 768, s. 4.

33 (g) The Board may, in its discretion, grant to plumbing, heating, or fire sprinkler  
34 contractors licensed by other states license of the same or equivalent classification  
35 without written examination upon receipt of satisfactory proof that the qualifications of  
36 such applicants are substantially equivalent to the qualifications of holders of similar  
37 licenses in North Carolina and upon payment of the usual license fee.

38 (h) Expired."

39 **SECTION 3.** G.S. 87-22 reads as rewritten:

40 "**§ 87-22. License fee based on population; expiration and renewal; penalty.**

41 All persons, firms, or corporations engaged in the business of either plumbing or  
42 heating contracting, or both, ~~in cities or towns of 10,000 inhabitants or more~~ shall pay  
43 an annual license fee not ~~exceeding seventy five dollars (\$75.00), and in cities or towns~~  
44 ~~of less than 10,000 inhabitants an annual license fee not exceeding fifty dollars~~

1 ~~(\$50.00)~~to exceed one hundred fifty dollars (\$150.00). The annual fee for a piping or  
2 restricted classification license shall not exceed that for a plumbing or heating license.  
3 All persons, firms, or corporations engaged in the business of fire sprinkler contracting  
4 shall pay an initial application fee not to exceed seventy-five dollars (\$75.00) and an  
5 annual license fee not to exceed three hundred dollars (\$300.00). In the event the Board  
6 refuses to license an applicant, the license fee deposited shall be returned by the Board  
7 to the applicant. All licenses shall expire on the last day of December in each year  
8 following their issuance or renewal. It shall be the duty of the secretary and treasurer to  
9 ~~cause to be mailed~~send by U.S. mail or e-mail to every licensee registered ~~hereunder~~  
10 with the Board, notice to the licensee's last known address reflected on the records of  
11 the Board of the amount of fee required for renewal of license, ~~such~~the notice to be  
12 mailed at least one month in advance of the expiration of the license. The Board may  
13 require payment of all unpaid annual fees before reissuing a license. In the event of  
14 failure on the part of any person, firm or corporation to renew the license certificate  
15 annually and pay the required fee ~~therefor~~ during the month of January in each year, the  
16 Board shall increase the license fee ~~ten per centum (10%) for each month or fraction of~~  
17 ~~a month that payment is delayed; provided that the penalty for nonpayment shall not~~  
18 ~~exceed the amount of the annual fee, and provided further that they~~ twenty-five dollars  
19 (\$25.00) to cover any additional expense associated with late renewal. The Board  
20 ~~requires~~shall require reexamination upon failure of a licensee to renew license within  
21 three years after expiration. The Board may adopt regulations requiring attendance at  
22 programs of continuing education as a condition of license renewal. A licensee  
23 employed full time as a local government plumbing, heating, or mechanical inspector  
24 and holding qualifications from the Code Officials Qualifications Board may renew the  
25 license at a fee not to exceed twenty-five dollars (\$25.00)."

26 **SECTION 4.** G.S. 87-22.1 reads as rewritten:

27 "**§ 87-22.1. Examination fees; funds disbursed upon warrant of chairman and**  
28 **secretary-treasurer.**

29 The Board shall charge ~~an~~a nonrefundable application and examination fee not  
30 ~~exceeding to exceed fifty dollars (\$50.00)~~one hundred fifty dollars (\$150.00) for each  
31 ~~regular examination provided,~~examination, and ~~such~~ the funds collected shall be  
32 disbursed upon warrant of the chairman and secretary-treasurer, to partially defray  
33 general expenses of the Board. ~~Such~~The application and examination fee shall be  
34 retained by the Board ~~irrespective of~~ whether or not the applicant is granted a license."

35 **SECTION 5.** Notwithstanding G.S. 87-22 and G.S. 87-22.1, as enacted in  
36 Sections 3 and 4 of this act, after this act becomes effective and until changed by  
37 permanent rule of the Board, the annual license fee shall be one hundred dollars  
38 (\$100.00) and the application and examination fee shall be eighty dollars (\$80.00).

39 **SECTION 6.** This act is effective when it becomes law.