



## NORTH CAROLINA LICENSING BOARD FOR GENERAL CONTRACTORS



# WHAT GENERAL CONTRACTORS NEED TO KNOW

## NEW LAWS AND RULES

- Continuing Education (CE) must be complete before renewal
- CE period January 1 -November 30 each year
- 8 hours of Board-approved CE required
  - Includes mandatory 2-hour course
  - 6 hours Board approved elective courses
  - Must relate to general contracting and may include business planning, contracts, liability, human resources, basic accounting, financial statements and safety and other construction related topics as determined by the Board
- All CE 8 hours must be completed before November 30
  - Can carry over up to 4 hours elective credit to next year
- 90 day grace period after November 30
  - \$10 monthly late fee charged beginning January 1
- Licensees can choose to be on "inactive" status:
  - If licensee notifies Board and renewal fees are paid, CE can be postponed for the inactive period
  - If reinstating within 2 years of inactive status, must complete 8 hours of CE, including mandatory course
  - After 2 years, must complete 16 hours of CE, including mandatory course
- No classes December; should complete before November 30

## DEFINITIONS

### General Contractor

A person, firm or corporation who:

- Agrees to build for a fixed price, commission, fee or wage
- Wants to bid upon or build, superintend or manage, on his or her own behalf or FOR any person, firm or corporation that is NOT licensed as a NC General Contractor
- Constructs any building, highway, public utilities, grading or any improvement or structure whose cost is \$30,000 or more; or;
  - Erects a NC labeled modular building meeting NC State Building Code

### Building Contractors

Performs all building construction and demolition activities including commercial, industrial, institutional, and all residential construction.

### Residential Contractors

Performs all construction and demolition activities pertaining to the construction of residential units that are required to conform to the residential building code adopted by the Building Code Council.

### Unclassified Contractors

Contractor who has active qualifier for Building, Highway and Public Utilities classifications.

### Licensee

Person, firm, corporation, limited liability company or partnership who has been issued a general contractors' license.

### Qualifier

Individual with the qualifying credential (passed the exam) which allows the license to exist for the person, firm, corporation, limited liability company or partnership. Can be both a licensee and a qualifier. Can qualify up to 2 licenses providing qualifier is an owner, officer, member, partner or W-2 employee of licensee.

**NORTH CAROLINA LICENSING BOARD FOR GENERAL CONTRACTORS****NEED TO KNOW, continued****LIMITATIONS**

- Limited
  - Single project (no limit to number of single projects at any time)
  - Value of up to five hundred thousand dollars (\$500,000), excluding cost of land and ancillary costs to improve land
- Intermediate
  - Single project (no limit to number of single projects at any time)
  - Value of up to one million dollars (\$1,000,000), excluding cost of land and ancillary costs to improve the land
- Unlimited
  - No restriction as to value of any single project

**QUALIFIER CEASES CONNECTION WITH LICENSEE**

- Notify Board within 10 days of separation date
- License remains valid for 90 days, but licensee cannot bid on or undertake new projects during this time until there is a new qualifier
- After 90 days, license invalidated
  - Can return to active status if new qualifier completes CE

**LICENSEE RESPONSIBILITIES**

- Licensees must designate at least one qualifier who will or has completed CE 8 hour requirement for renewal year
- Licensees must keep CE records for all license qualifiers for 4 years
- If qualifying party leaves, licensee must replace qualifying party within ninety (90) days or license becomes invalid
- Notify Board in writing if qualifier becomes disconnected with license
  - Must include date qualifier was last connected
  - Must submit notice no later than 10 days after separation date
- Shall not allow unlicensed persons, firms or corporations to use their general contractor's license
  - Although licensed general contractors may have an ownership interest in unlicensed entity, unlicensed contractors may not use license
- Violators may be disciplined by the Board
  - Sanctions may include suspension or revocation of license
- Licenses must be renewed annually by December 31 for following year or license expires effective January 1
  - A 60-day grace period if license not renewed before January 1 of each calendar year
  - Failure of qualifier or qualifying party holding a building contractor, residential contractor, or unclassified contractor license to satisfy annual CE requirement by end of grace period results in license becoming invalid
- If license is not renewed for 4 years, the license shall be archived
- After four years, no renewal allowed and all requirements for new license must be completed

**RESOURCES**

- Best resource is the NCLBGC website, <https://nclbgc.org>. The website includes:
  - Current Laws and Regulations Booklet, which explains requirements, rules and law in simple terms
  - Direct links to renewal application for both licensees and qualifiers
  - Classification and limitation information
  - CE information
  - NCLBGC news
  - FAQs with answers to questions about licenses, exams, new applications and renewal applications
- NC Administrative Code Title 21 Chapter 12 General Contractors
- Email questions to: [education@NCLBGC.org](mailto:education@NCLBGC.org)