

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

**SESSION LAW 2023-108
HOUSE BILL 488**

AN ACT TO REORGANIZE THE BUILDING CODE COUNCIL AND CREATE THE RESIDENTIAL CODE COUNCIL, TO AMEND VARIOUS PROVISIONS OF THE NORTH CAROLINA STATE BUILDING CODE AND LAND DEVELOPMENT REGULATIONS, AND TO INCREASE THE PROJECT COST MINIMUM FOR APPLICABILITY OF GENERAL CONTRACTOR LICENSING REQUIREMENTS.

The General Assembly of North Carolina enacts:

BUILDING CODE COUNCIL REORGANIZATION, CREATION OF THE RESIDENTIAL CODE COUNCIL, AND CLARIFY STATUTORY REFERENCES TO THE NORTH CAROLINA STATE BUILDING CODE

SECTION 1.(a) Article 9 of Chapter 143 of the General Statutes reads as rewritten:

"Article 9.

"Building Code ~~Council~~Council, Residential Code Council, and North Carolina State Building Code.

"§ 143-136. Building Code Council created; membership, committees.

...
(d) Building Code Committee Created; Duties. – Within the Building Code Council, there is hereby created a Building Code Committee for all structures except those subject to the North Carolina ~~State Residential Building Code: Residential Code for One and Two Family Dwellings.~~Code. The committee shall be composed of the following nine members of the Building Code Council:

- (1) One of the licensed architects appointed by the chairman of the Building Code Council.
- (2) The licensed engineer practicing mechanical engineering.
- (3) The licensed engineer practicing electrical engineering.
- (4) The licensed engineer practicing structural engineering.
- (5) The municipal elected official.
- (6) The fire service representative.
- (7) The municipal or county building inspector.
- (8) The State agency engineer.
- (9) The licensed general contractor.

The chairman of the Building Code Council shall call the first meeting of the Committee, at which meeting the Committee shall elect a chairman from among the members of the Committee as the first order of business. Thereafter, the Committee shall meet upon the call of the chairman to review any proposal for revision or amendment to the North Carolina ~~State Building Code~~, including provisions applicable to the North Carolina Energy Conservation Code, the North Carolina Electrical Code, the North Carolina Fuel Gas Code, the North Carolina Plumbing Code, the North Carolina Mechanical Code, the North Carolina Existing Building Code, and any other code applicable to commercial or multi-family construction, and no revision or amendment to any of these codes applicable to commercial or multi-family construction may be considered by the Building Code Council unless recommended by this committee. This committee shall also



oversee the process by which the Council conducts its revision of the codes applicable to commercial or multi-family construction pursuant to G.S. 143-138(d). This committee shall also consider any appeal or interpretation arising under G.S. 143-141 pertaining to codes applicable to commercial or multi-family construction and make a recommendation to the Building Code Council for disposition of the appeal or interpretation. In considering the recommendations of the committee related to revisions and amendments of the Building Code, nothing in this subsection shall prevent the Building Code Council from accepting, rejecting, or amending the recommendation, provided that any amendment to the recommendation must be germane.

"§ 143-136.1. Residential Code Council created; membership.

(a) Creation; Membership. – There is hereby created a Residential Code Council, which consists of 13 members appointed as follows:

- (1) One member appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives who shall hold an unlimited residential contractor license under Chapter 87 of the General Statutes.
- (2) One member appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate who shall hold an intermediate residential contractor license under Chapter 87 of the General Statutes.
- (3) One member appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives who shall hold a plumbing contractor license under Chapter 87 of the General Statutes and specializes in residential construction.
- (4) One member appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate who shall hold a heating contractor license under Chapter 87 of the General Statutes and specializes in residential construction.
- (5) One member appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives who shall hold an unlimited general contractor license under Chapter 87 of the General Statutes and specializes in coastal construction.
- (6) One member appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate who shall hold a limited residential contractor license under Chapter 87 of the General Statutes.
- (7) One member appointed by the Governor subject to confirmation in accordance with Section 5(8) of Article III of the North Carolina Constitution, who shall hold an electrical contractor license under Chapter 87 of the General Statutes.
- (8) One member appointed by the Governor subject to confirmation in accordance with Section 5(8) of Article III of the North Carolina Constitution, who shall be a licensed professional engineer under Chapter 89C of the General Statutes and specializes in residential construction.
- (9) One member appointed by the Governor subject to confirmation in accordance with Section 5(8) of Article III of the North Carolina Constitution, who shall be a Level I or Level II Code-enforcement official employed by a municipality or county.
- (10) One member appointed by the Governor subject to confirmation in accordance with Section 5(8) of Article III of the North Carolina Constitution, who shall be a member of the public-at-large.
- (11) One member appointed by the Governor subject to confirmation in accordance with Section 5(8) of Article III of the North Carolina Constitution, who shall be a representative of the natural gas industry.

- (12) One member appointed by the Governor subject to confirmation in accordance with Section 5(8) of Article III of the North Carolina Constitution, who shall be a fire service representative.
- (13) One member appointed by the Governor subject to confirmation in accordance with Section 5(8) of Article III of the North Carolina Constitution, who shall hold a general contractor license under Chapter 87 of the General Statutes and specializes in residential foundations or concrete placement.

(b) Terms; Vacancies; Chair. – Of the members initially appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, one shall serve for a term of two years, one shall serve for a term of four years, and one shall serve for a term of six years. Of the members initially appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, one shall serve for a term of two years, one shall serve for a term of four years, and one shall serve for a term of six years. Of the members initially appointed by the Governor, two shall serve for a term of two years, two shall serve for a term of four years, and three shall serve for a term of six years. Thereafter, all appointments shall be for terms of six years. Appointments by the General Assembly shall be made in accordance with G.S. 120-121, and vacancies in those appointments shall be filled in accordance with G.S. 120-122. Vacancies in appointments made by the Governor shall be filled by the Governor subject to confirmation in accordance with Section 5(8) of Article III of the North Carolina Constitution. The Governor shall designate one member of the Council as chair.

(c) Compensation. – Members of the Residential Code Council, other than any who are employees of the State, shall receive seven dollars (\$7.00) per day, including necessary time spent in traveling to and from their place of residence within the State to any place of meeting or while traveling on official business of the Council. In addition, all members shall receive mileage and subsistence according to State practice while going to and from any place of meeting, or when on official business of the Council.

(d) Duties. – The Residential Code Council shall review and consider any proposal for revision or amendment to the North Carolina Residential Code, including applicable provisions from the North Carolina Energy Conservation Code, North Carolina Electrical Code, North Carolina Fuel Gas Code, North Carolina Plumbing Code, North Carolina Mechanical Code, North Carolina Existing Building Code, and any other code applicable to residential construction. This Council shall also consider any appeal or interpretation arising under G.S. 143-141 pertaining to the North Carolina Residential Code and make disposition of the appeal or issue an interpretation.

"§ 143-137. Organization of Council; rules; meetings; staff; fiscal affairs.

...

(d) Fiscal Affairs of the Council. – All funds for the operations of the Council and its staff shall be appropriated to the Department of Insurance for the use of the Council. All such funds shall be held in a separate or special account on the books of the Department of Insurance, with a separate financial designation or code number to be assigned by the Department of ~~Administration~~ Insurance or its agent. Expenditures for staff salaries and operating expenses shall be made in the same manner as the expenditure of any other Department of Insurance funds. The Department of Insurance may hire such additional personnel as may be necessary to handle the work of the Building Code Council, within the limits of funds appropriated for the Council and with the approval of the Council.

"§ 143-137.1. Organization of Residential Code Council; rules; meetings; staff; fiscal affairs; quorum.

(a) First Meeting; Organization; Rules. – Within 30 days after its appointment, the Residential Code Council shall meet on call of the Commissioner of Insurance. The Council shall adopt rules it may deem necessary for the proper discharge of its duties. The chair may establish and appoint members to any committees the work of the Council may require. In addition, the

chair may establish and appoint an ad hoc code revision committee to consider and prepare revisions and amendments to the North Carolina Residential Code. The ad hoc committee shall consist of members of the Council, licensed contractors, and design professionals most affected by the North Carolina Residential Code, and members of the public. Committees shall meet upon the call of their respective chairs and shall report their recommendations to the Council.

(b) Meetings. – The Residential Code Council shall meet regularly, at least once every six months, at places and dates to be determined by the Council. Special meetings may be called by the chair and must be called by the chair at the request of two or more members of the Council. All members shall be notified by the chair in writing of the time and place of regular and special meetings at least seven days in advance of such meeting. All meetings shall be open to the public.

(c) Staff. – Personnel of the Division of Engineering of the Department of Insurance shall serve as a staff for the Residential Code Council. This staff shall have the following duties:

(1) Keeping an accurate and complete record of all meetings, hearings, correspondence, laboratory studies, and technical work performed by or for the Council, and making these records available for public inspection at all reasonable times.

(2) Handling correspondence for the Council.

(d) Fiscal Affairs of the Council. – All funds for the operations of the Residential Code Council and its staff shall be appropriated to the Department of Insurance for the use of the Council. These funds shall be held in a separate or special account on the books of the Department of Insurance, with a separate financial designation or code number to be assigned by the Department of Insurance or its agent. Expenditures for staff salaries and operating expenses shall be made in the same manner as the expenditure of any other Department of Insurance funds. The Department of Insurance may hire any additional personnel necessary to handle the work of the Council, within the limits of funds appropriated for the Council and with the approval of the Council.

(e) Quorum; Voting; No Proxy Vote. – Nine members shall constitute a quorum for the transaction of business and an affirmative vote of nine members present shall be necessary to approve any action of the Council, including any amendment or revision to the North Carolina Residential Code. No member may vote by proxy.

"§ 143-138. North Carolina State Building Code.

(a) Preparation and Adoption. – The Building Code Council and Residential Code Council may prepare and adopt, in accordance with the provisions of this Article, a North Carolina State Building Code. Before the adoption of any volume of the Code, or any part of the Code, the responsible Council shall hold at least one public hearing. A notice of the public hearing shall be published in the North Carolina Register at least 15 days before the date of the hearing. Notwithstanding G.S. 150B-2(8a)h., any volume, or any part, of the North Carolina State Building Code as adopted by the Building Code Council or Residential Code Council is a rule within the meaning of G.S. 150B-2(8a) and shall be adopted in accordance with the procedural requirements of Article 2A of Chapter 150B of the General Statutes. For the purposes of this Article, "North Carolina State Building Code" or "Code" shall collectively refer to all Code volumes, as revised or amended, prepared and adopted by the Building Code Council or Residential Code Council pursuant to this Article, including the following Code volumes:

- (1) North Carolina Administrative Code and Policies.
- (2) North Carolina Building Code.
- (3) North Carolina Electrical Code.
- (4) North Carolina Energy Conservation Code.
- (5) North Carolina Existing Building Code.
- (6) North Carolina Fire Code.
- (7) North Carolina Fuel Gas Code.
- (8) North Carolina Mechanical Code.

- (9) North Carolina Plumbing Code.
- (10) North Carolina Residential Code.
- (a1) Additional Adoption Requirements. –
 - (1) The Building Code Council or Residential Code Council shall request the Office of State Budget and Management to prepare a fiscal note for a proposed Code change that has a substantial economic impact, as defined in G.S. 150B-21.4(b1), or that increases the cost of residential housing by eighty dollars (\$80.00) or more per housing unit. The change can become effective only in accordance with G.S. 143-138(d). Neither the Department of Insurance nor the ~~Council-Councils~~ shall be required to expend any monies to pay for the preparation of any fiscal note under this section by any person outside of the Department or ~~Council-Councils~~ unless the Department or ~~Council-contracts-Councils contract~~ with a third-party vendor to prepare the fiscal note.
 - (2) The responsible Council shall conduct a cost-benefit analysis for all proposed changes considered after January 1, 2018, to the North Carolina Energy Conservation Code.

(b) Contents of the Code. – The North Carolina State Building Code, as adopted by the Building Code Council or Residential Code Council, may include reasonable and suitable classifications of buildings and structures, both as to use and occupancy; general building restrictions as to location, height, and floor areas; rules for the lighting and ventilation of buildings and structures; requirements concerning means of egress from buildings and structures; requirements concerning means of ingress in buildings and structures; rules governing construction and precautions to be taken during construction; rules as to permissible materials, loads, and stresses; rules governing chimneys, heating appliances, elevators, and other facilities connected with the buildings and structures; rules governing plumbing, heating, air conditioning for the purpose of comfort cooling by the lowering of temperature, and electrical systems; and such other reasonable rules pertaining to the construction of buildings and structures and the installation of particular facilities therein as may be found reasonably necessary for the protection of the occupants of the building or structure, its neighbors, and members of the public at large.

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(b2) Carbon Monoxide Alarms. – The Code (i) may contain provisions requiring the installation of either battery-operated or electrical carbon monoxide alarms in every dwelling unit having a combustion heater, appliance, or fireplace, and in any dwelling unit having an attached garage and (ii) shall contain provisions requiring the installation of electrical carbon monoxide alarms at a lodging establishment. Violations of this subsection and rules adopted pursuant to this subsection shall be punishable in accordance with subsection (h) of this section and G.S. 143-139. In particular, the rules shall provide:

...

- (3) The Building Code Council shall modify the ~~NC State Building Code (Fire Prevention)~~ North Carolina Fire Code to regulate the provisions of this subsection in new and existing lodging establishments, including hotels, motels, tourist homes that provide accommodations for seven or more continuous days (extended-stay establishments), and bed and breakfast inns and bed and breakfast homes as defined in G.S. 130A-247; provided nothing in this subsection shall prevent the Building Code Council from establishing more stringent rules regulating carbon monoxide alarms or detectors for new lodging establishments, including hotels, motels, tourist homes that provide accommodations for seven or more continuous days (extended-stay establishments), and bed and breakfast inns and bed and breakfast homes as defined in G.S. 130A-247. The Building Code Council shall modify the ~~NC~~

~~State Building Code (Fire Prevention)~~ North Carolina Fire Code minimum inspection schedule to include annual inspections of new and existing lodging establishments, including hotels, motels, and tourist homes that provide accommodations for seven or more continuous days (extended-stay establishments), and bed and breakfast inns and bed and breakfast homes as defined in G.S. 130A-247 for the purpose of compliance with this subsection.

(4) Upon discovery of a violation of this subsection that poses an imminent hazard and that is not corrected during an inspection of a lodging establishment subject to the provisions of G.S. 130A-248, the code official responsible for enforcing the ~~NC State Building Code (Fire Prevention)~~ North Carolina Fire Code shall immediately notify the local health director for the county in which the violation was discovered, or the local health director's designee, by verbal contact and shall also submit a written report documenting the violation of this subsection to the local health director for the county in which the violation was discovered, or the local health director's designee, on the next working day following the discovery of the violation. Within one working day of receipt of the written report documenting a violation of this subsection, the local health director for the county in which the violation was discovered, or the local health director's designee, shall investigate and take appropriate action regarding the permit for the lodging establishment, as provided in G.S. 130A-248. Lodging establishments having five or more rooms that are exempted from the requirements of G.S. 130A-248 by G.S. 130A-250 shall be subject to the penalties set forth in the ~~NC State Building Code (Fire Prevention)~~ North Carolina Fire Code.

(5) Upon discovery of a violation of this subsection that does not pose an imminent hazard and that is not corrected during an inspection of a lodging establishment subject to the provisions of G.S. 130A-248, the owner or operator of the lodging establishment shall have a correction period of three working days following the discovery of the violation to notify the code official responsible for enforcing the ~~NC State Building Code (Fire Prevention)~~ North Carolina Fire Code verbally or in writing that the violation has been corrected. If the code official receives such notification, the code official may reinspect the portions of the lodging establishment that contained violations, but any fees for reinspection shall not exceed the fee charged for the initial inspection. If the code official receives no such notification, or if a reinspection discovers that previous violations were not corrected, the code official shall submit a written report documenting the violation of this subsection to the local health director for the county in which the violation was discovered, or the local health director's designee, within three working days following the termination of the correction period or the reinspection, whichever is later. The local health director shall investigate and may take appropriate action regarding the permit for the lodging establishment, as provided in G.S. 130A-248. Lodging establishments having five or more rooms that are exempted from the requirements of G.S. 130A-248 by G.S. 130A-250 shall be subject to the penalties set forth in the ~~NC State Building Code (Fire Prevention)~~ North Carolina Fire Code.

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(b7) Appendices. – For the information of users thereof, the Code shall include as appendices the following:

(1) Any rules governing boilers adopted by the Board of Boiler and Pressure Vessels Rules,

- (2) Any rules relating to the safe operation of elevators adopted by the Commissioner of Labor, and
- (3) Any rules relating to sanitation adopted by the Commission for Public Health which the Building Code Council or Residential Code Council believes pertinent.

The Code may include references to such other rules of special types, such as those of the Medical Care Commission and the Department of Public Instruction as may be useful to persons using the Code. No rule issued by any agency other than the Building Code Council or Residential Code Council shall be construed as a part of the Code, nor supersede that Code, it being intended that they be presented with the Code for information only.

...

(b9) Exclusion for Industrial Machinery. – Nothing in this Article shall extend to or be construed as being applicable to the regulation of the design, construction, location, installation, or operation of industrial machinery. However, if during the ~~building code~~ Code inspection process, an electrical inspector has any concerns about the electrical safety of a piece of industrial machinery, the electrical inspector may refer that concern to the Occupational Safety and Health Division in the North Carolina Department of Labor but shall not withhold the certificate of occupancy nor mandate third-party testing of the industrial machinery based solely on this concern. For the purposes of this paragraph, "industrial machinery" means equipment and machinery used in a system of operations for the explicit purpose of producing a product or acquired by a State-supported center providing testing, research, and development services to manufacturing clients. The term does not include equipment that is permanently attached to or a component part of a building and related to general building services such as ventilation, heating and cooling, plumbing, fire suppression or prevention, and general electrical transmission.

...

(b13) Migrant Housing. – The Building Code Council shall provide for an exemption from any requirements in the ~~fire prevention code~~ North Carolina Fire Code for installation of an automatic sprinkler system applicable to buildings meeting all of the following:

- (1) Has one floor.
- (2) Meets all requirements of 29 C.F.R. § 1910.142, as amended.
- (3) Meets all requirements of Article 19 of Chapter 95 of the General Statutes and rules implementing that Article.

For purposes of this subsection, "migrant housing" and "migrant" shall be defined as in G.S. 95-223.

...

(b15) Exclusion from Energy Conservation Code Requirements for Existing Commercial Buildings. – The alteration of commercial buildings and structures that received a certificate of occupancy prior to January 1, 2012, may be subject to the rules pertaining to energy efficiency and energy conservation that were in effect on December 31, 2011. The addition to commercial buildings and structures that received a certificate of occupancy prior to January 1, 2012, may be subject to the rules pertaining to energy efficiency and energy conservation that were in effect on December 31, 2011, so long as the addition does not increase the building area of the existing commercial building or structure to more than one hundred fifty percent (150%) of the building area of the commercial building or structure as it was in existence on December 31, 2011. For the purpose of this subsection, the term "commercial buildings and structures" shall include all structures and buildings that are not classified as a Group R occupancy by the Building Code Council.

...

(b18) Exclusion From Energy ~~Efficiency~~ Conservation Code Requirements for Certain Use and Occupancy Classifications. – The Building Code Council shall provide for an exemption from any requirements in the energy efficiency standards pursuant to Chapter 13 of the 2012

North Carolina Building Code and the 2012 Energy Conservation Code, and any subsequent amendments to the North Carolina Building Code and North Carolina Energy Conservation Code, for the following use and occupancy classifications pursuant to Chapter 3 of the 2012 North Carolina Building Code: Section 306, Factory Group F; Section 311, Storage Group S; and Section 312, Utility and Miscellaneous Group U. This exclusion shall apply to the entire floor area of any structure for which the primary use or occupancy is listed herein.

(b19) Exclusion From Energy Efficiency Code Requirements for Residential Garages. – The Residential Code Council shall provide for an exemption for detached and attached garages located on the same lot as a dwelling from any requirements in the energy efficiency standards pursuant to Chapter 11 of the North Carolina Residential Code ~~for One and Two Family Dwellings~~ and Chapter 4 of the North Carolina Energy Conservation Code.

...

(b22) (Expires December 31, 2024 – see note) Limit Requirement for Certain Plans to be Under Professional Seal. – The North Carolina State Building Code shall not require that plans and specifications for any alteration, remodeling, renovation, or repair of a commercial building or structure be prepared by and under the seal of a registered architect licensed under Chapter 83A of the General Statutes, or a registered engineer licensed under Chapter 89C of the General Statutes, if the alteration, remodeling, renovation, or repair costs less than three hundred thousand dollars (\$300,000) or if the total building area does not exceed 3,000 square feet in gross floor area and all of the following apply:

- (1) The alteration, remodeling, renovation, or repair does not include the addition, repair, or replacement of load-bearing structures.
- (2) The alteration, remodeling, renovation, or repair is not subject to the requirements of G.S. 133-1.1(a).
- (3) The alteration, remodeling, renovation, or repair is performed in accordance with the current edition of the North Carolina Fire ~~Prevention~~ Code.

(c) Standards to Be Followed in Adopting the Code. – All regulations contained in the North Carolina State Building Code shall have a reasonable and substantial connection with the public ~~health, safety, morals, or general welfare,~~ health and safety, and their provisions shall be construed reasonably to those ends. Requirements of the Code shall conform to good engineering practice. The Building Code Council and Residential Code Council may use as guidance, but is not required to adopt, the requirements of the International Building Code of the International Code Council, the Standard Building Code of the Southern Building Code Congress International, Inc., the Uniform Building Code of the International Conference of Building Officials, the National Building Code of the Building Officials and Code Administrators, Inc., the National Electric Code, the Life Safety Code, the National Fuel Gas Code, the Fire Prevention Code of the National Fire Protection Association, the Safety Code for Elevators and Escalators, and the Boiler and Pressure Vessel Code of the American Society of Mechanical Engineers, and standards promulgated by the American National Standards Institute, Standards Underwriters' Laboratories, Inc., and similar national or international agencies engaged in research concerning strength of materials, safe design, and other factors bearing upon health and safety.

...

(d) Amendments of the Code. – ~~Subject to the procedures set forth in G.S. 143-136(e) and (d), the~~ The Building Code Council and Residential Code Council may periodically revise and amend ~~the~~ those parts of the North Carolina State Building Code, Code for which those Councils are responsible, either on its ~~their~~ own motion or upon application from any citizen, State agency, or political subdivision of the State. In addition to the periodic revisions or amendments made by the responsible Council, the Residential Code Council ~~shall, following the procedure set forth in G.S. 143-136(e), shall perform a comprehensive review and revise or amend~~ the North Carolina ~~State Building Code; Residential Code for One and Two Family Dwellings, Code,~~ including provisions applicable to One and Two Family Dwellings dwellings

covered by the North Carolina Residential Code, from the ~~NC~~ North Carolina Energy Conservation Code, ~~NC~~ North Carolina Electrical Code, ~~NC~~ North Carolina Fuel Gas Code, ~~NC~~ North Carolina Plumbing Code, and ~~NC~~ North Carolina Mechanical Code only every six years, to become effective the first day of January of the following year, with at least six months between adoption and effective date. The first six-year revision by the Residential Council under this subsection shall be adopted to become effective January 1, ~~2019, 2031,~~ and every six years thereafter. After its appointment pursuant to G.S. 143-136.1, the Residential Code Council shall review the North Carolina Energy Conservation Code, the North Carolina Fuel Gas Code, and the North Carolina Mechanical Code and may amend the relevant chapters of the North Carolina Residential Code, affected by that review, by January 1, 2026. Following the adoption of amendments to the North Carolina Residential Code affected by that review, the North Carolina Residential Code shall also be subject to the first six-year revision under this subsection. In adopting any amendment, the Building Code Council and Residential Code Council shall comply with the same procedural requirements and the same standards set forth above for adoption of the Code. The Building Code Council and Residential Code Council, through the Department of Insurance, shall publish in the North Carolina Register all appeal decisions made by the responsible Code Council and all formal opinions at least semiannually. The Building Code Council and Residential Code Council, through the Department of Insurance, shall also publish at least semiannually in the North Carolina Register a statement providing the accurate ~~Web site~~ website address and information on how to find additional commentary and interpretation of the Code.

(d1) Cost-Benefit Analysis. – When the Building Code Council or Residential Code Council revises or amends the North Carolina State Building ~~Code Code,~~ or any part of the Code, as provided in subsection (d) of this section and considers an economic analysis or cost-benefit analysis of the proposed revision or amendment, the responsible Code Council shall not limit its review to an economic analysis or cost-benefit analysis submitted by the proponent of the proposed revision or amendment but shall either conduct its own economic analysis or cost-benefit analysis or consider an economic analysis or cost-benefit analysis submitted other than by the proponent of the proposed revision or amendment. This section shall not apply to a proposal for revision or amendment made upon motion of a responsible Code Council or submitted by a State agency or political subdivision of the State.

(e) Effect upon Local Codes. – Except as otherwise provided in this section, the North Carolina State Building Code shall apply throughout the State, from the time of its adoption. Approved rules shall become effective in accordance with G.S. 150B-21.3. However, any political subdivision of the State may adopt a fire prevention code and floodplain management regulations within its jurisdiction. The territorial jurisdiction of any municipality or county for this purpose, unless otherwise specified by the General Assembly, shall be as follows: Municipal jurisdiction shall include all areas within the corporate limits of the municipality and extraterritorial jurisdiction areas established as provided in G.S. 160D-202 or a local act; county jurisdiction shall include all other areas of the county. No such code or regulations, other than floodplain management regulations and those permitted by G.S. 160D-1128, shall be effective until they have been officially approved by the Building-responsible Code Council as providing adequate minimum standards to preserve and protect health and safety, in accordance with the provisions of subsection (c) above. Local floodplain regulations may regulate all types and uses of buildings or structures located in flood hazard areas identified by local, State, and federal agencies, and include provisions governing substantial improvements, substantial damage, cumulative substantial improvements, lowest floor elevation, protection of mechanical and electrical systems, foundation construction, anchorage, acceptable flood resistant materials, and other measures the political subdivision deems necessary considering the characteristics of its flood hazards and vulnerability. In the absence of approval by the Building Code Council or Residential Code Council, or in the event that approval is withdrawn, local fire prevention codes

and regulations shall have no force and effect. Provided any local regulations approved by the local governing body which are found by the Council to be more stringent than the adopted statewide fire prevention code and which are found to regulate only activities and conditions in buildings, structures, and premises that pose dangers of fire, explosion or related hazards, and are not matters in conflict with the ~~State Building Code~~, may be approved. Local governments may enforce the fire prevention code of the ~~State Building Code~~ using civil remedies authorized under G.S. 143-139, 153A-123, and 160A-175. If the Commissioner of Insurance or other State official with responsibility for enforcement of the Code institutes a civil action pursuant to G.S. 143-139, a local government may not institute a civil action under G.S. 143-139, 153A-123, or 160A-175 based upon the same violation. Appeals from the assessment or imposition of such civil remedies shall be as provided in G.S. 160D-1127.

A local government may not adopt any ordinance in conflict with the exemption provided by subsection (c1) of this section. No local ordinance or regulation shall be construed to limit the exemption provided by subsection (c1) of this section.

...
 (g) Publication and Distribution of Code. – The Building Code Council and Residential Code Council shall cause to be printed, after adoption by ~~the each responsible Code Council~~, the North Carolina State Building Code Code, or any part of the Code, and each amendment thereto. It shall, at the State's expense, distribute copies of the Code and each amendment to State and local governmental officials, departments, agencies, and educational institutions, as is set out in the table below. (Those marked by an asterisk will receive copies only on written request to the Council.)

OFFICIAL OR AGENCY	NUMBER OF COPIES
State Departments and Officials	
Governor	1
Lieutenant Governor	1
Auditor	1
Treasurer	1
Secretary of State	1
Superintendent of Public Instruction.....	1
Attorney General (Library)	1
Commissioner of Agriculture.....	1
Commissioner of Labor.....	1
Commissioner of Insurance	1
Department of Environmental	
Quality.....	1
Department of Health and Human Service	1
Division of Adult Correction and Juvenile Justice of the	
Department of Public Safety	1
Board of Transportation	1
Utilities Commission.....	1
Department of Administration	1
Clerk of the Supreme Court	1
Clerk of the Court of Appeals	1
Department of Natural and Cultural Resources [State	
Library]	1
Supreme Court Library	1
Legislative Library	1
Office of Administrative Hearings.....	1
Rules Review Commission	1

Schools

All state-supported colleges and universities
in the State of North Carolina *1 each

Local Officials
Clerks of the Superior Courts..... 1 each
Chief Building Inspector of each incorporated
municipality or county 1

In addition, the Building Code Council and Residential Code Council shall make additional copies available at such price as it shall deem reasonable to members of the general public. The proceeds from sales of the ~~Building Code Code~~, or any part of the Code, shall be credited to the Insurance Regulatory Fund under G.S. 58-6-25.

...

(j) Subsection (i) of this section does not apply to business occupancy buildings as defined in the North Carolina ~~State~~ Building Code except that evacuation plans as required on page 8, lines 2 through 16, and smoke detectors as required for Class I Buildings as required by Section 1008.2, page 11, lines 5 through 21; Class II Buildings as required by Section 1008.3, page 17, lines 17 through 28 and page 18, lines 1 through 10; and Class III Buildings, as required by Section 1008.4, lines 21 through 25 shall not be exempted from operation of this act as applied to business occupancy buildings, except that the Council shall adopt rules that allow a business occupancy building built prior to 1953 to have a single exit to remain if the building complies with the North Carolina Building Code on or before December 31, 2006.

(j1) A nonbusiness occupancy building built prior to the adoption of the 1953 Building Code that is not in compliance with Section 402.1.3.5 of Volume IX of the Building Code or Section 3407.2.2 of Volume I of the Building Code must comply with the applicable sections by December 31, 2006.

...

"§ 143-138.1. Introduction and instruction of the North Carolina State Building Code; posting of written commentaries and interpretations on Department of Insurance ~~Web site~~.website.

(a) Prior to the effective date of Code changes pursuant to G.S. 143-138, the ~~State Building-responsible~~ Code Council and Department of Insurance shall provide for instructional classes for the various trades affected by the ~~Code changes~~. The Department of Insurance shall develop the curriculum for each class but shall consult the affected licensing boards and trade organizations. The curriculum shall include explanations of the rationale and need for each Code amendment or revision. Classes may also be conducted by, on behalf of, or in cooperation with licensing boards, trade associations, and professional societies. The Department of Insurance may charge fees sufficient to recover the costs it incurs under this section. The responsible Code Council shall ensure that courses are accessible to persons throughout the State.

(b) The Department of Insurance shall post and maintain on that portion of its ~~Web site~~ website devoted to the Building Code Council and Residential Code Council written commentaries and written interpretations made and given by staff to ~~the each responsible Code Council~~ and the Department for each section of the North Carolina State Building Code within 10 business days of issuance.

"§ 143-139. Enforcement of the North Carolina State Building Code.

(a) Procedural Requirements. – Subject to the provisions set forth herein, the Building Code Council and Residential Code Council shall adopt such procedural requirements in the North Carolina State Building Code as shall appear reasonably necessary for adequate enforcement of the Code while safeguarding the rights of persons subject to the Code.

...

"§ 143-139.1. Certification of manufactured buildings, structures or components by recognized independent testing laboratory; minimum standards for single-family, on-frame modular homes.

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

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

...

"§ 143-139.2. Enforcement of insulation requirements; certificate for occupancy; no electric service without compliance.

(a) In addition to other enforcement provisions set forth in this Chapter, no single family or multi-unit residential building on which construction is begun in North Carolina on or after January 1, 1978, shall be occupied until it has been certified as being in compliance with the minimum insulation standards for residential construction, as prescribed in the North Carolina State Building Code or as approved by the ~~Building-responsible~~ Code Council as provided in G.S. 143-138(e).

(b) No public supplier of electric service, including regulated public utilities, municipal electric service and electric membership corporations, shall connect for electric service to an occupant any residential building on which construction is begun on or after January 1, 1978, unless said building complies with the insulation requirements of the North Carolina State Building Code or of local building codes approved by the ~~Building Codes-responsible~~ Code Council as provided in G.S. 143-138(e), and has been certified for occupancy in compliance with the minimum insulation standards of the North Carolina State Building Code or of any local modification approved as provided in G.S. 143-138(e), by a person designated as an inspector pursuant to subsection (a) of this section.

(c) This section shall apply only in any county or city that elects to enforce the insulation and energy utilization standards of the North Carolina State Building Code pursuant to G.S. 143-151.27.

...

"§ 143-140. Hearings before enforcement agencies as to questions under the North Carolina State Building Code.

(a) Any person desiring to raise any question under this Article or under the North Carolina State Building Code shall be entitled to a technical interpretation from the appropriate enforcement agency, as designated in the preceding section. Upon request in writing by any such person, the enforcement agency through an appropriate official shall within a reasonable time provide a written interpretation, setting forth the facts found, the decision reached, and the reasons therefor. In the event of dissatisfaction with such decision, the person affected shall have the options of:

- (1) Appealing to the Building Code Council or the Residential Code Council.
- (2) Appealing directly to the Superior Court, as provided in G.S. 143-141.

(b) If an interpretation under this section or under G.S. 143-141(b) changes after a building permit is issued, the permit applicant may choose which version of the interpretation will apply to the permit, unless such a choice would cause harm to life or property.

"§ 143-140.1. Alternative design construction and methods; appeals.

~~The North Carolina Building Code Council shall, by January 1, 2023, promulgate rules, procedures, and policies for the approval of alternative designs and construction. Alternative designs and construction shall that follow the North Carolina State Building Code. The Residential Code Council shall, by January 1, 2026, promulgate rules, procedures, and policies for the approval of alternative designs and construction that follow the North Carolina State Building Code.~~ In the event of a dispute between a local authority having jurisdiction and the designer or owner-representative regarding alternative designs and construction, and notwithstanding any other section within this Article, appeals by the designer or owner-representative on matters pertaining to alternative design construction or methods shall be heard by the Department of Insurance Engineering Division. The Department of Insurance Engineering Division shall issue its decision regarding an appeal filed under this section within 10 business days. The Commissioner of Insurance shall adopt rules in furtherance of this section.

"§ 143-141. Appeals to Building Code Council-Council and Residential Code Council.

(a) Method of Appeal. – Whenever any person desires to take an appeal to the Building responsible Code Council from the decision of a State enforcement agency relating to any matter under this Article or under the North Carolina State Building Code, ~~he the appellant shall~~ within 30 days after ~~such the~~ decision give written notice of appeal to the Building responsible Code Council through the Division of Engineering of the Department of ~~Insurance that he desires to take an appeal. Insurance.~~ A copy of ~~such the~~ notice of appeal shall be filed at the same time with the enforcement agency from which the appeal is taken. The chairman of the Building responsible Code Council shall fix a reasonable time and place for a hearing, giving reasonable notice to the appellant and to the enforcement agency. Such hearing shall be not later than the next regular meeting of the responsible Code Council. The Building responsible Code Council shall thereupon conduct a full and complete hearing as to the matters in controversy, after which it shall within a reasonable time give a written decision setting forth its findings of fact and its conclusions.

(b) Interpretations of the Code. – The Building responsible Code Council shall have the duty, in hearing appeals, to give interpretations of such provisions of the North Carolina State Building Code ~~as shall be pertinent to the matter at issue. appeal.~~ Where the responsible Code Council finds that an enforcement agency was in error in its interpretation of the Code, it shall remand the case to the agency with instructions to take such action as it directs. Interpretations by the responsible Code Council and local enforcement officials shall be based on a reasonable construction of the Code provisions.

(c) Variations of the Code. – Where the Building responsible Code Council finds on appeal that materials or methods of construction proposed to be used are as good as those required by the Code, it shall remand the case to the enforcement agency with instructions to permit the use of such materials or methods of construction. The responsible Code Council shall thereupon

immediately initiate procedures for amending the Code as necessary to permit the use of such materials or methods of construction.

(c1) Posting on Department ~~Web Site~~ ~~Website~~ – The Department of Insurance shall post and maintain on that portion of its ~~Web site~~ ~~website~~ devoted to the ~~Building responsible~~ Code Council all appeal decisions, interpretations, and variations of the Code issued by the ~~responsible~~ Code Council within 10 business days of issuance.

(d) Further Appeals to the Courts. – Whenever any person desires to take an appeal from a decision of the ~~Building responsible~~ Code Council or from the decision of an enforcement agency (with or without an appeal to the ~~Building responsible~~ Code Council), ~~he~~ ~~the~~ ~~appellant~~ may take an appeal either to the Wake County Superior Court or to the superior court of the county in which the proposed building is to be situated, in accordance with the provisions of Chapter 150B of the General Statutes.

"§ 143-142. Further duties of the ~~Building Code Council~~ Councils.

(a) Recommended Statutory Changes. – It shall be the duty of the ~~Building responsible~~ Code Council to make a thorough and continuing study of the building laws of the State, including both the statutes enacted by the General Assembly and the rules and regulations adopted by State and local agencies. On the basis of such ~~study~~ ~~studies~~, the ~~responsible~~ Council shall from time to time recommend to the ~~1959 and subsequent General Assemblies~~ Assembly desirable statutory changes to simplify and improve such laws.

(b) Recommend Changes in Enforcement Procedures. – It shall be the duty of the ~~Building responsible~~ Code Council to make a thorough and continuing study of the manner in which the building laws of the State are enforced by State, local, and private agencies. On the basis of such studies, the Council may recommend to the General Assembly any statutory changes necessary to improve and simplify the enforcement machinery. The ~~responsible~~ Code Council may also advise State agencies as to any changes in administrative practices which could be made to improve the enforcement of building laws without statutory changes.

...

"§ 143-143.2. Electric wiring of houses, buildings, and structures.

(a) The electric wiring of houses or buildings for lighting or for other purposes shall conform to the requirements of the North Carolina State Building Code and any other applicable State and local laws.

...

"§ 143-143.3. Temporary toilet facilities at construction sites.

(a) Suitable toilet facilities shall be provided and maintained in a sanitary condition during construction. An adequate number of facilities must be provided for the number of employees at the construction site. There shall be at least one facility for every two contiguous construction sites. Such facilities may be portable, enclosed, chemically treated, tank-tight units. Portable toilets shall be enclosed, screened, and weatherproofed with internal latches. Temporary toilet facilities need not be provided on-site for crews on a job site for no more than one working day and having transportation readily available to nearby toilet facilities.

(b) It shall be the duty of the ~~Building responsible~~ Code Council to establish standards to carry out the provisions of subsection (a) of this section not inconsistent with the requirements for toilet facilities at construction sites established pursuant to federal occupational safety and health rules.

...."

SECTION 1.(b) G.S. 143-136(c) is repealed.

SECTION 1.(c) G.S. 160D-102(14) reads as rewritten:

"(14) Development regulation. – A unified development ordinance, zoning regulation, subdivision regulation, erosion and sedimentation control regulation, floodplain or flood damage prevention regulation, mountain ridge protection regulation, stormwater control regulation, wireless

telecommunication facility regulation, historic preservation or landmark regulation, housing code, North Carolina State Building Code enforcement, or any other regulation adopted pursuant to this Chapter, or a local act or charter that regulates land use or development."

SECTION 1.(d) G.S. 160D-702 reads as rewritten:

"§ 160D-702. Grant of power.

(a) A local government may adopt zoning regulations. Except as provided in subsections (b) and (c) of this section, a zoning regulation may regulate and restrict the height, number of stories, and size of buildings and other structures; the percentage of lots that may be occupied; the size of yards, courts, and other open spaces; the density of population; the location and use of buildings, structures, and land. A local government may regulate development, including floating homes, over estuarine waters and over lands covered by navigable waters owned by the State pursuant to G.S. 146-12. A zoning regulation shall provide density credits or severable development rights for dedicated rights-of-way pursuant to G.S. 136-66.10 or G.S. 136-66.11. Where appropriate, a zoning regulation may include requirements that street and utility rights-of-way be dedicated to the public, that provision be made of recreational space and facilities, and that performance guarantees be provided, all to the same extent and with the same limitations as provided for in G.S. 160D-804 and G.S. 160D-804.1.

(b) Any regulation relating to building design elements adopted under this Chapter may not be applied to any structures subject to regulation under the North Carolina Residential Code ~~for One and Two Family Dwellings~~ except under one or more of the following circumstances:

- (1) The structures are located in an area designated as a local historic district pursuant to Part 4 of Article 9 of this Chapter.
- (2) The structures are located in an area designated as a historic district on the National Register of Historic Places.
- (3) The structures are individually designated as local, State, or national historic landmarks.
- (4) The regulations are directly and substantially related to the requirements of applicable safety codes adopted under G.S. 143-138.
- (5) Where the regulations are applied to manufactured housing in a manner consistent with G.S. 160D-908 and federal law.
- (6) Where the regulations are adopted as a condition of participation in the National Flood Insurance Program.

Regulations prohibited by this subsection may not be applied, directly or indirectly, in any zoning district or conditional district unless voluntarily consented to by the owners of all the property to which those regulations may be applied as part of and in the course of the process of seeking and obtaining a zoning amendment or a zoning, subdivision, or development approval, nor may any such regulations be applied indirectly as part of a review pursuant to G.S. 160D-604 or G.S. 160D-605 of any proposed zoning amendment for consistency with an adopted comprehensive plan or other applicable officially adopted plan.

For the purposes of this subsection, the phrase "building design elements" means exterior building color; type or style of exterior cladding material; style or materials of roof structures or porches; exterior nonstructural architectural ornamentation; location or architectural styling of windows and doors, including garage doors; the number and types of rooms; and the interior layout of rooms. The phrase "building design elements" does not include any of the following: (i) the height, bulk, orientation, or location of a structure on a zoning lot, (ii) the use of buffering or screening to minimize visual impacts, to mitigate the impacts of light and noise, or to protect the privacy of neighbors, or (iii) regulations adopted pursuant to this Article governing the permitted uses of land or structures subject to the North Carolina Residential Code ~~for One and Two Family Dwellings~~.Code.

Nothing in this subsection affects the validity or enforceability of private covenants or other contractual agreements among property owners relating to building design elements.

(c) A zoning or other development regulation shall not do any of the following:

- (1) Set a minimum square footage of any structures subject to regulation under the ~~North Carolina Residential Code for One and Two Family Dwellings Code.~~
- (2) Set a maximum parking space size larger than 9 feet wide by 20 feet long unless the parking space is designated for handicap, parallel, or diagonal parking."

SECTION 1.(e) G.S. 160D-804(i) reads as rewritten:

"(i) Minimum Square Footage Exemption. – The regulation shall not set a minimum square footage of any structures subject to regulation under the ~~North Carolina Residential Code for One and Two Family Dwellings Code.~~"

SECTION 1.(f) G.S. 160D-706(b) reads as rewritten:

"(b) When adopting regulations under this Article, a local government may not use a definition of building, dwelling, dwelling unit, bedroom, or sleeping unit that is inconsistent with any definition of those terms in another statute or in a rule adopted by a State agency, including the ~~State Building Code Council or Residential Code Council.~~"

SECTION 1.(g) G.S. 160D-915(a)(5) reads as rewritten:

"(5) Temporary family health care structure. – A transportable residential structure providing an environment facilitating a caregiver's provision of care for a mentally or physically impaired person that (i) is primarily assembled at a location other than its site of installation, (ii) is limited to one occupant who shall be the mentally or physically impaired person, (iii) has no more than 300 gross square feet, and (iv) complies with applicable provisions of the North Carolina State Building Code and G.S. 143-139.1(b). Placing the temporary family health care structure on a permanent foundation shall not be required or permitted."

SECTION 1.(h) G.S. 160D-1001(c) reads as rewritten:

"(c) This Article is supplemental to the powers conferred upon local governments and does not preclude or supersede rights and obligations established pursuant to other law regarding development approvals, site-specific vesting plans, or other provisions of law. A development agreement shall not exempt the property owner or developer from compliance with the North Carolina State Building Code or State or local housing codes that are not part of the local government's development regulations. When the governing board approves the rezoning of any property associated with a development agreement executed and recorded pursuant to this Article, the provisions of G.S. 160D-605(a) apply."

SECTION 1.(i) G.S. 160D-1103 reads as rewritten:

"§ 160D-1103. Qualifications of inspectors.

No local government shall employ an inspector to enforce the North Carolina State Building Code who does not have one of the following types of certificates issued by the North Carolina Code Officials Qualification Board attesting to the inspector's qualifications to hold such position: (i) a probationary certificate, (ii) a standard certificate, or (iii) a limited certificate which shall be valid only as an authorization to continue in the position held on the date specified in G.S. 143-151.13(c) and which shall become invalid if the inspector does not successfully complete in-service training specified by the Qualification Board within the period specified in G.S. 143-151.13(c). An inspector holding one of the above certificates can be promoted to a position requiring a higher level certificate only upon issuance by the Board of a standard certificate or probationary certificate appropriate for such new position."

SECTION 1.(j) G.S. 160D-1104, as amended by Section 4(b) of this act, reads as rewritten:

"§ 160D-1104. Duties and responsibilities.

...
(c) In performing the specific inspections required by the North Carolina State Building Code, the inspector shall conduct all inspections requested by the permit holder for each scheduled inspection. For each requested inspection, the inspector shall inform the permit holder of instances in which the work inspected fails to meet the requirements of the ~~North Carolina Residential Code for One and Two Family Dwellings~~ or the North Carolina State Building Code.

(d) Except as provided in G.S. 160D-1117 and G.S. 160D-1207, a local government may not adopt or enforce a local ordinance or resolution or any other policy that requires regular, routine inspections of buildings or structures constructed in compliance with the North Carolina Residential Code ~~for One and Two Family Dwellings~~ in addition to the specific inspections required by the North Carolina State Building Code without first obtaining approval from the ~~North Carolina Building Residential Code Council~~. A local government may not adopt or enforce a local ordinance or resolution or any other policy that requires routine exterior sheathing inspections for structures or dwellings covered by the North Carolina Building Code or North Carolina Residential Code located in a region where the ultimate wind speed is less than 140 miles per hour. The ~~North Carolina Building Residential Code Council~~ shall review all applications for additional inspections requested by a local government and shall, in a reasonable manner, approve or disapprove the additional inspections. This subsection does not limit the authority of the local government to require inspections upon unforeseen or unique circumstances that require immediate action. In performing the specific inspections required by the North Carolina Residential ~~Building Code~~, the inspector shall conduct all inspections requested by the permit holder for each scheduled inspection. For each requested inspection, the inspector shall inform the permit holder of instances in which the work inspected is incomplete or otherwise fails to meet the requirements of the North Carolina Residential Code ~~for One and Two Family Dwellings~~ or the North Carolina State Building Code. When a subsequent inspection is conducted to verify completion or correction of instances of Code noncompliance, any additional violations of the Code noted by the inspector on items already approved by the inspections department shall not delay the issuance of a temporary certificate of occupancy, and the inspections department shall not charge a fee for reinspection of those items.

...."

SECTION 1.(k) G.S. 160D-1106 reads as rewritten:

"§ 160D-1106. Alternate inspection method for component or element.

(a) Notwithstanding the requirements of this Article, a local government shall accept and approve, without further responsibility to inspect, a design or other proposal for a component or element in the construction of buildings from an architect licensed under Chapter 83A of the General Statutes or professional engineer licensed under Chapter 89C of the General Statutes provided all of the following apply:

- ...
- (3) The licensed architect or licensed professional engineer under subdivision (2) of this subsection provides the local government with a signed written document certifying that the component or element of the building inspected under subdivision (2) of this subsection is in compliance with the North Carolina ~~State Building Code or the North Carolina Residential Code for One and Two Family Dwellings~~ Code. The certification required under this subdivision shall be provided by electronic or physical delivery, [and] its receipt shall be promptly acknowledged by the local government through reciprocal means. The certification shall be made on a ~~form~~ forms created by the ~~North Carolina Building Code Council and Residential Code Council~~ which shall include at least the following:

- a. Permit number.
- b. Date of inspection.
- c. Type of inspection.
- d. Contractor's name and license number.
- e. Street address of the job location.
- f. Name, address, and telephone number of the person responsible for the inspection.

...

(c) With the exception of the requirements contained in subsection (a) of this section, no further certification by a licensed architect or licensed professional engineer is required for any component or element designed and sealed by a licensed architect or licensed professional engineer for the manufacturer of the component or element under the North Carolina State Building Code or the North Carolina Residential Code for One and Two Family Dwellings Code.

...."

SECTION 1.(l) G.S. 160D-1109(b) reads as rewritten:

"(b) A member of the inspection department shall not be in violation of this section when the local government, its inspection department, or one of the inspectors accepted a signed written document of compliance with the North Carolina State Building Code or the North Carolina Residential Code for One and Two Family Dwellings from a licensed architect or licensed engineer in accordance with G.S. 160D-1104(d)."

SECTION 1.(m) G.S. 160D-1110, as amended by Section 2(g) of this act, reads as rewritten:

"§ 160D-1110. Building permits.

(a) Except as provided in subsection (c) of this section, no person shall commence or proceed with any of the following without first securing all permits required by the North Carolina State Building Code and any other State or local laws applicable to any of the following activities:

- (1) The construction, reconstruction, alteration, repair, movement to another site, removal, or demolition of any building or structure.
- (2) The installation, extension, or general repair of any plumbing system except that in any one- or two-family dwelling unit a permit is not required for the connection of a water heater that is being replaced if (i) the work is performed by a person licensed under G.S. 87-21 who personally examines the work at completion and ensures that a leak test has been performed on the gas piping, and (ii) the energy use rate or thermal input is not greater than that of the water heater that is being replaced, there is no change in fuel, energy source, location, capacity, or routing or sizing of venting and piping, and the replacement is installed in accordance with the current edition of the North Carolina State Building Code.
- (3) The installation, extension, alteration, or general repair of any heating or cooling equipment system.
- (4) The installation, extension, alteration, or general repair of any electrical wiring, devices, appliances, or equipment, except that in any one- or two-family dwelling unit a permit is not required for repair or replacement of electrical lighting fixtures or devices, such as receptacles and lighting switches, or for the connection of an existing branch circuit to an electric water heater that is being replaced if all of the following requirements are met:
 - a. With respect to electric water heaters, the replacement water heater is placed in the same location and is of the same or less capacity and electrical rating as the original.

- b. With respect to electrical lighting fixtures and devices, the replacement is with a fixture or device having the same voltage and the same or less amperage.
- c. The work is performed by a person licensed under G.S. 87-43.
- d. The repair or replacement installation meets the current edition of the North Carolina State Building Code, including the ~~State~~-North Carolina Electrical Code.

However, a building permit is not required for the installation, maintenance, or replacement of any load control device or equipment by an electric power supplier, as defined in G.S. 62-133.8, or an electrical contractor contracted by the electric power supplier, so long as the work is subject to supervision by an electrical contractor licensed under Article 4 of Chapter 87 of the General Statutes. The electric power supplier shall provide such installation, maintenance, or replacement in accordance with (i) an activity or program ordered, authorized, or approved by the North Carolina Utilities Commission pursuant to G.S. 62-133.8 or G.S. 62-133.9 or (ii) a similar program undertaken by a municipal electric service provider, whether the installation, modification, or replacement is made before or after the point of delivery of electric service to the customer. The exemption under this subsection applies to all existing installations.

(b) A building permit shall be in writing and shall contain a provision that the work done shall comply with the North Carolina State Building Code and all other applicable State and local laws. Nothing in this section requires a local government to review and approve residential building plans submitted to the local government pursuant to the North Carolina Residential Code, provided that the local government may review and approve the residential building plans as it deems necessary. If a local government chooses to review residential building plans for any structures subject to regulation under the North Carolina Residential ~~Code for One and Two-Family Dwellings, Code~~, all initial reviews for the building permit must be performed within 15 business days of submission of the plans. A local government shall not require residential building plans for one- and two-family dwellings to be sealed by a licensed engineer or licensed architect unless required by the North Carolina State Building Code. No building permits shall be issued unless the plans and specifications are identified by the name and address of the author thereof, and, if the General Statutes of North Carolina require that plans for certain types of work be prepared only by a licensed architect or licensed engineer, no building permit shall be issued unless the plans and specifications bear the North Carolina seal of a licensed architect or of a licensed engineer. When any provision of the General Statutes of North Carolina or of any ordinance or development or zoning regulation requires that work be done by a licensed specialty contractor of any kind, no building permit for the work shall be issued unless the work is to be performed by such a duly licensed contractor.

...

(g) No building permit shall be issued pursuant to subdivision (1) of subsection (a) of this section where the cost of the work is forty thousand dollars (\$40,000) or more, other than for improvements to an existing single-family residential dwelling unit as defined in G.S. 87-15.5(7) that the owner occupies as a residence, or for the addition of an accessory building or accessory structure as defined in the North Carolina ~~Uniform Residential Building Code~~, the use of which is incidental to that residential dwelling unit, unless the name, physical and mailing address, telephone number, facsimile number, and electronic mail address of the lien agent designated by the owner pursuant to G.S. 44A-11.1(a) is conspicuously set forth in the permit or in an attachment thereto. The building permit may contain the lien agent's electronic mail address. The lien agent information for each permit issued pursuant to this subsection shall be maintained by the inspection department in the same manner and in the same location in which it maintains its record of building permits issued. Where the improvements to a real property leasehold are limited to the purchase, transportation, and setup of a manufactured home, as defined in

G.S. 143-143.9(6), the purchase price of the manufactured home shall be excluded in determining whether the cost of the work is forty thousand dollars (\$40,000) or more.

...."

SECTION 1.(n) G.S. 160D-1112 reads as rewritten:

"§ 160D-1112. Changes in work.

After a building permit has been issued, no changes or deviations from the terms of the application, plans and specifications, or the permit, except where changes or deviations are clearly permissible under the North Carolina State Building Code, shall be made until specific written approval of proposed changes or deviations has been obtained from the inspection department."

SECTION 1.(o) G.S. 160D-1114 reads as rewritten:

"§ 160D-1114. Appeals of stop orders.

(a) The owner or builder may appeal from a stop order involving alleged violation of the North Carolina State Building Code or any approved local modification thereof to the North Carolina Commissioner of Insurance or his designee within a period of five days after the order is issued. Notice of appeal shall be given in writing to the Commissioner of Insurance or his designee, with a copy to the local inspector. The Commissioner of Insurance or his or her designee shall promptly conduct an investigation, and the appellant and the inspector shall be permitted to submit relevant evidence. The Commissioner of Insurance or his or her designee shall as expeditiously as possible provide a written statement of the decision setting forth the facts found, the decision reached, and the reasons for the decision. Pending the ruling by the Commissioner of Insurance or his or her designee on an appeal, no further work shall take place in violation of a stop order. In the event of dissatisfaction with the decision, the person affected shall have the following options:

- (1) Appealing to the Building Code Council or Residential Code Council.
- (2) Appealing to the superior court as provided in G.S. 143-141.

(b) The owner or builder may appeal from a stop order involving alleged violation of a local development regulation as provided in G.S. 160D-405."

SECTION 1.(p) G.S. 160D-1127 reads as rewritten:

"§ 160D-1127. Appeals.

Unless otherwise provided by law, appeals from any order, decision, or determination by a member of a local inspection department pertaining to the North Carolina State Building Code or other State building laws shall be taken to the Commissioner of Insurance or the Commissioner's designee or other official specified in G.S. 143-139 by filing a written notice with the Commissioner and with the inspection department within a period of 10 days after the order, decision, or determination. Further appeals may be taken to the ~~State Building Code Council~~ Code Council or Residential Code Council or to the courts as provided by law."

SECTION 1.(q) Subject to Section 7 and Section 8 of this act, nothing in this section shall be construed to affect the timing of, or abrogate the duties of, the Building Code Council in its revision of the North Carolina State Building Code collection, including the North Carolina State Building Code: Residential Code for One- and Two-Family Dwellings, into the 2024 North Carolina State Building Code collection, to become effective on January 1, 2025, as required by G.S. 143-138(d) prior to the effective date of the remainder of this section.

SECTION 1.(r) Subsection (q) of this section is effective when it becomes law, and the remainder of this section becomes effective January 1, 2025.

DEPARTMENT OF INSURANCE TO REPORT ON BUILDING CODE COUNCIL REORGANIZATION AND CREATION OF THE RESIDENTIAL CODE COUNCIL AND CLARIFICATION OF STATUTORY REFERENCES TO THE NORTH CAROLINA STATE BUILDING CODE

SECTION 1A. The Department of Insurance, in consultation with the Building Code Council, shall report to the chair of the House Local Government – Land Use, Planning and Development Committee, the chair of the Senate State and Local Government Committee, and the Joint Legislative Commission on Governmental Operations on or before January 31, 2024, and submit recommendations for legislative changes necessary to implement the reorganization of the Building Code Council, the creation of the Residential Code Council, and clarifications of statutory references to the North Carolina State Building Code, and its volumes, under Section 1 of this act. This report shall include recommended statutory changes, subject matter clarifications, and any additional information the Department deems relevant.

MODIFY PERMIT EXEMPTIONS AND RESTRICTIONS WITH RELATED GENERAL CONTRACTOR LICENSURE AND CONFORMING CHANGES

SECTION 2.(a) G.S. 87-1(a) reads as rewritten:

"(a) For the purpose of this Article any person or firm or corporation who for a fixed price, commission, fee, or wage, undertakes to bid upon or to construct or who undertakes to superintend or manage, on his own behalf or for any person, firm, or corporation that is not licensed as a general contractor pursuant to this Article, the construction of any building, highway, public utilities, grading or any improvement or structure where the cost of the undertaking is ~~thirty-four~~ thirty-four thousand dollars ~~(\$30,000)-(\$40,000)~~ or more, or undertakes to erect a North Carolina labeled manufactured modular building meeting the North Carolina State Building Code, shall be deemed to be a "general contractor" engaged in the business of general contracting in the State of North Carolina."

SECTION 2.(b) G.S. 87-14 reads as rewritten:

"§ 87-14. Regulations as to issue of building permits.

(a) Any person, firm, or corporation, upon making application to the building inspector or other authority of any incorporated city, town, or county in North Carolina charged with the duty of issuing building or other permits for the construction of any building, highway, sewer, grading, or any improvement or structure where the cost is to be ~~thirty-four~~ thirty-four thousand dollars ~~(\$30,000)-(\$40,000)~~ or more, shall, before being entitled to a permit, satisfy the following:

- (1) Furnish satisfactory proof to the inspector or authority that the applicant seeking the permit or another person contracting to superintend or manage the construction is licensed under this Article to carry out or superintend the construction or is exempt from licensure under G.S. 87-1(b). If an applicant claims an exemption from licensure pursuant to G.S. 87-1(b)(2), the applicant for the building permit shall execute a verified affidavit attesting to the following:
 - a. That the applicant is the owner of the property on which the building is being constructed and, if the applicant is a firm or corporation, that the person submitting the application is an owner, officer, or member of the firm or corporation that owns the property.
 - b. That the applicant will personally superintend and manage all aspects of the construction of the building and that the duty will not be delegated to any other person not licensed under this Article.
 - c. That the applicant will be personally present for all inspections required by the North Carolina State Building Code, unless the plans for the building were drawn and sealed by an architect licensed pursuant to Chapter 83A of the General Statutes.

The building inspector or other authority shall transmit a copy of the affidavit to the Board, which shall verify that the applicant was validly entitled to claim the exemption under G.S. 87-1(b)(2). If the Board determines that the

applicant was not entitled to claim the exemption under G.S. 87-1(b)(2), the building permit shall be revoked pursuant to G.S. 160D-1115.

- (2) Furnish proof that the applicant has in effect Workers' Compensation insurance as required by Chapter 97 of the General Statutes.

...

(a1) Any person, firm, or corporation, upon making application to the building inspector or other authority of any incorporated city, town, or county in North Carolina charged with the duty of issuing building permits pursuant to G.S. 160D-1110 for any improvements for which the combined cost is to be ~~thirty-four~~ thirty-four thousand dollars (~~\$30,000~~)-(\$40,000) or more, other than for improvements to an existing single-family residential dwelling unit as defined in G.S. 87-15.5(7) that the owner occupies as a residence, or for the addition of an accessory building or accessory structure as defined in the North Carolina Uniform Residential Building Code, the use of which is incidental to that residential dwelling unit, shall be required to provide to the building inspector or other authority the name, physical and mailing address, telephone number, facsimile number, and email address of the lien agent designated by the owner pursuant to G.S. 44A-11.1(a).

...."

SECTION 2.(c) G.S. 143-138(b5) reads as rewritten:

"(b5) Permit Exclusion for Certain Minor Activities. – No permit shall be required under the Code or any local variance thereof approved under subsection (e) for any construction, installation, repair, replacement, or alteration performed in accordance with the current edition of the North Carolina State Building Code and costing ~~twenty thousand dollars (\$20,000)~~-forty thousand dollars (\$40,000) or less in any single family residence, farm building, or commercial building unless the work involves any of the following:

- (1) The addition, repair, or replacement of load bearing structures. However, no permit is required for replacements of windows, doors, exterior siding, or the pickets, railings, stair treads, and decking of porches and exterior decks that otherwise meet the requirements of this subsection.
- (2) The addition or change in the design of plumbing. However, no permit is required for replacements otherwise meeting the requirements of this subsection that do not change size or capacity.
- (3) The addition, replacement or change in the design of heating, air conditioning, or electrical wiring, appliances, or equipment, other than a like-kind replacement of electrical devices and lighting fixtures.
- (4) The use of materials not permitted by the North Carolina State Building Code.
- (5) The addition (excluding replacement) of roofing.
- (6) Any changes to which the North Carolina Fire ~~Prevention~~-Code applies."

SECTION 2.(d) G.S. 143-138(b21) reads as rewritten:

"(b21) Exclusion for Certain Minor Activities in Commercial Buildings and Structures. – No permit shall be required under the Code or any local variance thereof approved under subsection (e) of this section for any construction, installation, repair, replacement, or alteration performed in accordance with the current edition of the North Carolina State Building Code costing ~~twenty thousand dollars (\$20,000)~~-forty thousand dollars (\$40,000) or less in any commercial building or structure unless the work involves any of the activities described in subdivisions (1) through (6) of subsection (b5) of this section. For the purpose of determining applicability of permit exclusions for a commercial building or structure under this subsection, subsection (b5) of this section, and G.S. 160D-1110(c), cost is the total cost of work, including all building addition, demolition, alteration, and repair work, occurring on the property within 12 consecutive months."

SECTION 2.(e) G.S. 160D-1110(c) reads as rewritten:

"(c) No permit issued under Article 9 or 9C of Chapter 143 of the General Statutes is required for any construction, installation, repair, replacement, or alteration performed in

accordance with the current edition of the North Carolina State Building Code costing ~~twenty thousand dollars (\$20,000)~~ forty thousand dollars (\$40,000) or less in any single-family residence, farm building, or commercial building unless the work involves any of the following:

- (1) The addition, repair, or replacement of load-bearing structures. However, no permit is required for replacement of windows, doors, exterior siding, or the pickets, railings, stair treads, and decking of porches and exterior decks that otherwise meet the requirements of this subsection.
- (2) The addition or change in the design of plumbing. However, no permit is required for replacements otherwise meeting the requirements of this subsection that do not change size or capacity.
- (3) The addition, replacement, or change in the design of heating, air-conditioning, or electrical wiring, devices, appliances, or equipment, other than like-kind replacement of electrical devices and lighting fixtures.
- (4) The use of materials not permitted by the North Carolina State Building Code.
- (5) The addition (excluding replacement) of roofing."
- (6) Any changes to which the North Carolina Fire ~~Prevention~~ Code applies."

SECTION 2.(f) G.S. 160D-1110(d) reads as rewritten:

"(d) A local government shall not ~~require~~ do any of the following:

- (1) Require more than one building permit for the complete installation or replacement of any natural gas, propane gas, or electrical appliance on an existing structure when the installation or replacement is performed by a person licensed under G.S. 87-21 or G.S. 87-43. The cost of the building permit for such work shall not exceed the cost of any one individual trade permit issued by that local government, nor shall the local government increase the costs of any fees to offset the loss of revenue caused by this provision.
- (2) Require more than one building permit for simultaneous projects at the time of the application located at the same address and subject to the North Carolina Residential Code."

SECTION 2.(g) G.S. 160D-1110(g) reads as rewritten:

"(g) No building permit shall be issued pursuant to subdivision (1) of subsection (a) of this section where the cost of the work is ~~thirty-four thousand dollars (\$30,000)-(\$40,000)~~ or more, other than for improvements to an existing single-family residential dwelling unit as defined in G.S. 87-15.5(7) that the owner occupies as a residence, or for the addition of an accessory building or accessory structure as defined in the North Carolina Uniform Residential Building Code, the use of which is incidental to that residential dwelling unit, unless the name, physical and mailing address, telephone number, facsimile number, and electronic mail address of the lien agent designated by the owner pursuant to G.S. 44A-11.1(a) is conspicuously set forth in the permit or in an attachment thereto. The building permit may contain the lien agent's electronic mail address. The lien agent information for each permit issued pursuant to this subsection shall be maintained by the inspection department in the same manner and in the same location in which it maintains its record of building permits issued. Where the improvements to a real property leasehold are limited to the purchase, transportation, and setup of a manufactured home, as defined in G.S. 143-143.9(6), the purchase price of the manufactured home shall be excluded in determining whether the cost of the work is ~~thirty-four thousand dollars (\$30,000)-(\$40,000)~~ or more."

SECTION 2.(h) G.S. 44A-11.1(a) reads as rewritten:

"(a) With regard to any improvements to real property to which this Article is applicable for which the costs of the undertaking are ~~thirty-four thousand dollars (\$30,000)-(\$40,000)~~ or more, either at the time that the original building permit is issued or, in cases in which no building permit is required, at the time the contract for the improvements is entered into with the owner,

the owner shall designate a lien agent no later than the time the owner first contracts with any person to improve the real property. Provided, however, that the owner is not required to designate a lien agent for improvements to an existing single-family residential dwelling unit as defined in G.S. 87-15.5(7) that is occupied by the owner as a residence, or for the addition of an accessory building or accessory structure as defined in the North Carolina Uniform Residential Building Code, the use of which is incidental to that residence. The owner shall deliver written notice of designation to its designated lien agent by any method authorized in G.S. 44A-11.2(f), and shall include in its notice the street address, tax map lot and block number, reference to recorded instrument, or any other description that reasonably identifies the real property for the improvements to which the lien agent has been designated, and the owner's contact information. Designation of a lien agent pursuant to this section does not make the lien agent an agent of the owner for purposes of receiving a Claim of Lien on Real Property, a Notice of Claim of Lien upon Funds, a Notice of Subcontract, or for any purpose other than the receipt of notices to the lien agent required under G.S. 44A-11.2."

SECTION 2.(i) G.S. 89D-12(c) reads as rewritten:

"(c) A landscape contractor licensed under this Chapter is not required to be licensed as a general contractor under Article 1 of Chapter 87 of the General Statutes if the licensed landscape contractor is performing landscape construction or contracting work valued at an amount greater than ~~thirty~~ forty thousand dollars (~~\$30,000~~)-(\$40,000)."

SECTION 2.(j) This section becomes effective October 1, 2023, and subsections (b) through (g) of this section apply to permit applications for construction, installation, repair, replacement, remodeling, renovation, or alteration projects submitted on or after that date.

AUTHORIZE ALTERNATIVE PAVEMENT DESIGN STANDARDS WITHIN DEVELOPMENTS

SECTION 3.(a) G.S. 160D-804 is amended by adding a new subsection to read:

"(j) Private Driveway Pavement Design Standards. – The regulation shall not require pavement design standards for new private driveway construction that are more stringent than the minimum pavement design standards adopted by the North Carolina Department of Transportation. Notwithstanding any regulation adopted by the local government, the local government must accept engineered pavement design standards that do not meet minimum standards required by the Department of Transportation if the proposed design standard is signed and sealed by a duly licensed professional engineer, under Chapter 89C of the General Statutes, and meets vehicular traffic and fire apparatus access requirements. This subsection applies to construction of new privately owned driveways, parking lots, and driving areas associated with parking lots within a new development or subdivision that the developer designates as private and that are intended to remain privately owned after construction. If driveways, parking lots, and driving areas associated with parking lots are constructed to pavement design standards that do not meet minimum standards required by a regulation adopted by the local government, as authorized by this subsection, the developer must include disclosures to prospective buyers as outlined in G.S. 136-102.6(f) prior to entering into any agreement or any conveyance with any prospective buyer. A local government is discharged and released from any liabilities, duties, and responsibilities imposed by this Article, or in common law, from any claim arising out of, or attributed to, the plan review or acceptance of signed and sealed pavement design standards submitted pursuant to this subsection. Nothing in this section limits the authority of local governments or the Department of Transportation to regulate private roads, driveways, or street connections to a public system, or to regulate transportation and utilities, pursuant to subsection (c) of this section, or as otherwise authorized by law."

SECTION 3.(b) This section becomes effective October 1, 2023, and applies to permit applications submitted on or after that date.

PROHIBIT EXTERIOR SHEATHING INSPECTIONS

SECTION 4.(a) G.S. 143-138 is amended by adding a new subsection to read:

"(b23) Exterior Sheathing Inspections Prohibited. – The Code shall not require routine exterior sheathing inspections for structures or dwellings covered by the North Carolina Building Code or North Carolina Residential Code located in a region where the ultimate wind speed is less than 140 miles per hour."

SECTION 4.(b) G.S. 160D-1104(d) reads as rewritten:

"(d) Except as provided in G.S. 160D-1117 and G.S. 160D-1207, a local government may not adopt or enforce a local ordinance or resolution or any other policy that requires regular, routine inspections of buildings or structures constructed in compliance with the North Carolina Residential Code for One- and Two-Family Dwellings in addition to the specific inspections required by the North Carolina Building Code without first obtaining approval from the North Carolina Building Code Council. A local government may not adopt or enforce a local ordinance or resolution or any other policy that requires routine exterior sheathing inspections for structures or dwellings covered by the North Carolina Building Code or North Carolina Residential Code located in a region where the ultimate wind speed is less than 140 miles per hour. The North Carolina Building Code Council shall review all applications for additional inspections requested by a local government and shall, in a reasonable manner, approve or disapprove the additional inspections. This subsection does not limit the authority of the local government to require inspections upon unforeseen or unique circumstances that require immediate action. In performing the specific inspections required by the North Carolina Residential Building Code, the inspector shall conduct all inspections requested by the permit holder for each scheduled inspection. For each requested inspection, the inspector shall inform the permit holder of instances in which the work inspected is incomplete or otherwise fails to meet the requirements of the North Carolina Residential Code for One- and Two-Family Dwellings or the North Carolina Building Code. When a subsequent inspection is conducted to verify completion or correction of instances of Code noncompliance, any additional violations of the Code noted by the inspector on items already approved by the inspections department shall not delay the issuance of a temporary certificate of occupancy, and the inspections department shall not charge a fee for reinspection of those items."

SECTION 4.(c) This section is effective when it becomes law and applies permit applications submitted on or after that date.

MODIFY BUILDING CODE SUMMARY (APPENDIX B) REQUIREMENTS

SECTION 5.(a) Definitions. – For purposes of this section: "Code" means the North Carolina State Building Code collection, and amendments to the Code, as adopted by the Council; "Appendix B Rules" means Sections 106.3.1 and 106.3.2, as amended by the Building Code Council on December 14, 2021, and approved by the Rules Review Commission on February 17, 2022, effective January 1, 2023, within the North Carolina State Building Code: Administrative Code and Policies; and "Appendix B" means the Appendix B Building Code Summary for All Commercial Projects (Except 1 and 2-Family Dwellings and Townhouses) within the North Carolina State Building Code: Administrative Code and Policies. As used in this section, "Council" means the Building Code Council. On or after January 1, 2025, "Council" means the Residential Code Council as created in Section 1 of this act.

SECTION 5.(b) Appendix B Rules Amendment. – Until the effective date of the rules to amend the Code that the Council is required to adopt pursuant to this section, the Council and local governments enforcing the Code shall follow the provisions of subsection (c) of this section as it relates to the Appendix B Rules and Appendix B.

SECTION 5.(c) Appendix B Rules Implementation. – Notwithstanding Appendix B Rules, a local government shall not require a permit applicant to complete Appendix B with a set of plans submitted for review.

SECTION 5.(d) Additional Rulemaking Authority. – The Council shall adopt rules to amend the Appendix B Rules and Appendix B to be consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rules adopted by the Council pursuant to this section shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1), as though 10 or more written objections had been received as provided in G.S. 150B-21.3(b2).

SECTION 5.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

AMEND INSULATION REQUIREMENTS FOR UNVENTED ATTIC AND ENCLOSED RAFTER ASSEMBLIES

SECTION 6.(a) Definitions. – As used in this section, "Code" means the current North Carolina State Building Code collection, and amendments to the Code, as adopted by the Council. For purposes of this section and its implementation, "R402 Rules" means provisions and tables within Section 402, Building Thermal Envelope, North Carolina – Residential Provisions, of the North Carolina Energy Conversation Code. As used in this section, "Council" means the Building Code Council. On or after January 1, 2025, "Council" means the Residential Code Council as created in Section 1 of this act.

SECTION 6.(b) R402 Rules Amendment. – The Council shall amend R402 Rules to include, as an optional alternative to residential ceiling insulation minimums, minimum insulation requirements for the use of air-impermeable insulation in unvented attic and unvented enclosed rafter assemblies. In developing this amendment, the Council shall include in that optional alternative that where R402 Rules require R-38 insulation in the ceiling, installing air-impermeable insulation, as follows, to the underside or directly above the roof deck shall be deemed to satisfy the R-38 requirements: (i) R-20 (equivalent U-factor 0.05) for climate zone 3; (ii) R-25 (equivalent U-factor 0.037) for climate zone 4; and (iii) R-25 (equivalent U-factor 0.037) for climate zone 5. These air-impermeable insulation alternative R-value minimums apply in residences meeting the following criteria:

- (1) The unvented attic or unvented enclosed rafter assemblies are constructed under Section R806.5 of the North Carolina Residential Code.
- (2) The residence contains a mechanical ventilation system that operates on a positive, balanced, or hybrid pressure strategy.
- (3) For residences with air-impermeable insulation installed below the roof deck, exposed portions of the roof rafters are wrapped by a minimum of R-3 insulation unless directly covered by drywall or finished ceiling material. For residences with air-impermeable insulation installed above the roof deck, roof rafters do not require insulation wrapping if air-impermeable insulation installed above the roof deck is continuous.
- (4) The residence obtains an ACH50 blower door test result of less than 3.0.
- (5) The residence contains heating, cooling, and ventilation equipment and ductwork within thermal envelope.

SECTION 6.(c) Sunset. – This section expires when permanent rules adopted as required by subsection (b) of this section become effective.

PROHIBIT FURTHER AMENDMENTS TO VARIOUS CHAPTERS WITHIN THE NORTH CAROLINA RESIDENTIAL CODE

SECTION 7.(a) Definitions. – As used in this section, "Council" means the Building Code Council.

SECTION 7.(b) The Council shall not adopt rules to amend the following Parts within the North Carolina State Building Code: Residential Code for One- and Two-Family Dwellings:

- (1) Part V – Mechanical (Chapters 12 through 23).
- (2) Part VI – Fuel Gas (Chapter 24).

SECTION 7.(c) This section is effective when it becomes law and applies retroactively to March 1, 2023.

SECTION 7.(d) Sunset. – This section expires January 1, 2026.

PROHIBIT FURTHER ENERGY CONSERVATION AND EFFICIENCY AMENDMENTS TO THE NORTH CAROLINA STATE BUILDING CODE UNTIL 2026

SECTION 8.(a) Definitions. – As used in this section, "Code" means the current North Carolina State Building Code collection and amendments to the Code, as adopted by the Council. As used in this section, "Council" means the Building Code Council. On or after January 1, 2025, "Council" means the Residential Code Council as created in Section 1 of this act.

SECTION 8.(b) Notwithstanding G.S. 143-138, the Council shall not: (i) adopt rules to amend Part IV – Energy Conservation (Chapter 11) within the North Carolina State Building Code: Residential Code for One- and Two-Family Dwellings; or (ii) prepare and adopt a new code provision, or any part of the Code, that relates to energy conservation or efficiency of buildings, dwellings, and structures to which the North Carolina State Residential Code applies.

SECTION 8.(c) This section is effective when it becomes law and applies retroactively to March 1, 2023.

SECTION 8.(d) Sunset. – This section expires January 1, 2026.

AMEND THE RESIDENTIAL CODE TO INCLUDE THREE-AND FOUR-FAMILY DWELLINGS

SECTION 9.(a) Definitions. – As used in this section, "Code" means the current North Carolina State Building Code collection and amendments to the Code, as adopted by the Council. As used in this section, "Council" means the Building Code Council. On or after January 1, 2025, "Council" means the Residential Code Council as created in Section 1 of this act.

SECTION 9.(b) The Council shall adopt rules to amend the North Carolina Residential Code to include three-family (triplex) and four-family (quadplex) dwellings within its scope by modifying, transitioning, and establishing minimum prescriptive requirements to address the design and construction of those dwellings and make conforming changes to the Code in accordance with this section. In amending rules pursuant to this subsection, the Council shall not require greater than a 2-hour fire resistance rating for triplex and quadplex wall, floor, and ceiling separation assemblies or require automatic fire sprinkler systems within the North Carolina Residential Code.

SECTION 9.(c) Sunset. – This section expires when the permanent rules adopted as required by subsection (b) of this section become effective.

SECTION 9.(d) This section is effective when it becomes law.

CLARIFY FEE CALCULATION FOR EROSION AND SEDIMENTATION CONTROL PLAN REVIEW

SECTION 10. G.S. 113A-60(a) reads as rewritten:

"§ 113A-60. Local erosion and sedimentation control programs.

(a) A local government may submit to the Commission for its approval an erosion and sedimentation control program for its jurisdiction and may adopt ordinances and regulations necessary to establish and enforce erosion and sedimentation control programs. An ordinance adopted by a local government may establish a fee for the review of an erosion and sedimentation control plan and related activities. The fee shall ~~be calculated on the basis of either~~ be, on the

~~option of the applicant, either (i) calculated on the basis of the number of acres disturbed or~~
~~disturbed or (ii) no more than one hundred dollars (\$100.00) per lot developed in the case of a~~
~~single-family lot in a residential development or that is less than one acre, including such a lot~~
~~that is part of a larger common plan of development that is less than one acre set at no more than~~
~~one hundred dollars (\$100.00) per lot developed.~~ development. Local governments are
authorized to create or designate agencies or subdivisions of local government to administer and
enforce the programs. Except as otherwise provided in this Article, an ordinance adopted by a
local government shall at least meet and may exceed the minimum requirements of this Article
and the rules adopted pursuant to this Article."

DIRECT DEQ TO SEEK APPROVAL FROM USEPA TO STREAMLINE IMPLEMENTATION OF REQUIREMENTS OF THE SEDIMENTATION POLLUTION CONTROL ACT AND FEDERAL REQUIREMENTS FOR STORMWATER DISCHARGES FROM CONSTRUCTION ACTIVITIES

SECTION 11. No later than September 1, 2023, the Department of Environmental Quality shall develop a plan for submittal to USEPA that eliminates any program redundancies between the State's Sedimentation Pollution Control Act of 1973 (Act), and its implementation of requirements for stormwater discharges from construction activities set forth under the 2022 Clean Water Act National Pollution Discharge Elimination System (NPDES) general permit for stormwater discharges from construction activities (Construction Permit), 87 Federal Register 3522, through NPDES General Permit NCG010000 (NCG01). Specifically, the plan shall include measures to streamline permitting requirements to ensure persons conducting land-disturbing activity are required to apply for one permit addressing all federal, State, and local requirements, and, if applicable, that permit may be issued by a local government with delegated authority to operate a local program in order to eliminate (i) unnecessary costs to, and duplication of efforts by, persons initiating land-disturbing activities, (ii) unnecessary delays in project development, and (iii) inefficient use of Department personnel and staff of local governments that administer delegated erosion and sedimentation control programs. The Department shall report to the Environmental Review Commission on the status of their activities pursuant to this section quarterly, beginning August 1, 2024, until such time as the General Assembly repeals this reporting requirement.

PROHIBIT FORCED SEWER CONNECTIONS IN CERTAIN SITUATIONS

SECTION 12.(a) G.S. 160A-317(a) reads as rewritten:

"(a) Connections. – A city may require an owner of developed property on which there are situated one or more residential dwelling units or commercial establishments located within the city limits and within a reasonable distance of any water line or sewer collection line owned, leased as lessee, or operated by the city or on behalf of the city to connect the owner's premises with the water or sewer line or both, and may fix charges for the connections. In lieu of requiring connection under this subsection and in order to avoid hardship, the city may require payment of a periodic availability charge, not to exceed the minimum periodic service charge for properties that are connected. A city may only require connection of an owner's premises to a sewer line, however, if the city has adequate capacity to transport and treat the proposed new wastewater from the premises at the time of connection."

SECTION 12.(b) G.S. 153A-284(a) reads as rewritten:

"(a) A county may require the owner of developed property on which there are situated one or more residential dwelling units or commercial establishments located so as to be served by a water line or sewer collection line owned, leased as lessee, or operated by the county or on behalf of the county to connect the owner's premises with the water or sewer line and may fix charges for these connections. A county may only require connection of an owner's premises to

a sewer line, however, if the county has adequate capacity to transport and treat the proposed new wastewater from the premises at the time of connection."

PROHIBIT LOCAL GOVERNMENTS FROM REQUIRING PAYMENTS FROM OWNERS OF STORMWATER CONTROL SYSTEMS FOR FUTURE MAINTENANCE OR REPLACEMENT COSTS OF A SYSTEM

SECTION 13.(a) G.S. 160D-925 reads as rewritten:

"§ 160D-925. Stormwater control.

...
(d) A local government that holds an NPDES permit issued pursuant to G.S. 143-214.7 may adopt a regulation, applicable within its planning and development regulation jurisdiction, to establish the stormwater control program necessary for the local government to comply with the permit. A local government may adopt a regulation that bans illicit discharges within its planning and development regulation jurisdiction. A local government may adopt a regulation, applicable within its planning and development regulation jurisdiction, that ~~requires (i) deed~~ requires deed restrictions and protective covenants to ensure that each project, including the stormwater management system, will be maintained so as to protect water quality and control water ~~quantity and (ii) financial arrangements to ensure that adequate funds are available for the maintenance and replacement costs of the project.~~ quantity.

(d1) A local government is prohibited from adopting any regulation that requires an owner of a privately owned and maintained stormwater control project to make payments to the local government for the purpose of ensuring assets are available for maintenance, repair, replacement, and reconstruction costs of (i) the owner's stormwater control project or (ii) other stormwater control projects within the local government's jurisdiction. A local government may, however, require an owner of a privately owned and maintained stormwater control project to establish, collect, and retain funds for maintenance, repair, replacement, and reconstruction costs for the owner's stormwater control project, which shall not exceed ten percent (10%) of the stormwater control project's original cost of construction and shall be retained by the owner of the system. A local government shall allow a time period of at least five years, beginning when the stormwater control project is accepted by the local government as constructed per the local government's regulations, for the funds to be collected and retained by the owner of the stormwater control project. If funds are collected and retained, a local government can also require those funds be held in a segregated account used solely for the purposes of maintaining, repairing, replacing, and reconstructing the owner's stormwater control project.

...."

SECTION 13.(b) If, prior to the effective date of G.S. 160D-925(d1), as enacted by subsection (a) of this section, a local government has required an owner of a privately owned and maintained stormwater control project to make payments to the local government for the purpose of ensuring assets are available for maintenance, repair, replacement, and reconstruction costs of the owner's stormwater control project or other stormwater control projects within the local government's jurisdiction, in accordance with G.S. 160D-925(d1), as enacted by subsection (a) of this section, the local government shall make such funds accessible to the owner to cover necessary maintenance, repair, replacement, and reconstruction costs for the owner's stormwater control project. For stormwater control projects in residential communities, in the event maintenance, repair, replacement or reconstruction of a project is needed, such funds shall be exhausted before the local government may assess costs of the necessary work on individual homeowners within the community, or any applicable owners' association.

REQUIRE LOCAL GOVERNMENTS ISSUING STORMWATER PERMITS TO TRANSFER SUCH PERMITS IN ACCORDANCE WITH REQUIREMENTS FOR TRANSFER OF STATE-ISSUED STORMWATER PERMITS

SECTION 13.1.(a) G.S. 143-214.7 reads as rewritten:
"§ 143-214.7. Stormwater runoff rules and programs.

...
(c2) The ~~Department~~Department, or a local government that has issued a permit for a stormwater management system, shall transfer a permit issued under this section for a stormwater management system from the declarant of a condominium or a planned community to the unit owners association, owners association, or other management entity identified in the condominium or planned community's declaration upon request of a permittee if the ~~Department~~Department, or local government, finds that (i) common areas related to the operation and maintenance of the stormwater management system have been conveyed to the unit owners association or owners association in accordance with the declaration; (ii) the declarant has conveyed at least fifty percent (50%) of the units or lots to owners other than a declarant; and (iii) the stormwater management system is in substantial compliance with the stormwater permit issued to the permittee by the ~~Department~~Department, or local government. In support of a request made pursuant to this subsection, a permittee shall submit documentation to the ~~Department~~Department, or local government, sufficient to demonstrate that ownership of the common area related to the operation and maintenance of the stormwater management system has been conveyed from the declarant to the association and that the declarant has conveyed at least fifty percent (50%) of the units or lots to owners other than a declarant. For purposes of this subsection, declarant of a condominium shall have the same meaning as provided in Chapter 47C of the General Statutes, and declarant of a planned community shall have the same meaning as provided in Chapter 47F of the General Statutes.

...
(c5) The ~~Department~~Department, or a local government that has issued a permit for a stormwater management system, may transfer a permit issued pursuant to this section without the consent of the permit holder or of a successor-owner of the property on which the permitted activity is occurring or will occur as provided in this subsection:

- (1) The ~~Department~~Department, or local government, may require the submittal of an application for a permit transfer when all of the following conditions are met:
 - ...
 - b. The successor-owner is one of the following:
 - ...
 4. Any other natural person, group of persons, or entity deemed appropriate by the ~~Department~~Department, or local government, to operate and maintain the permit.
 - c. There will be no substantial change in the permitted activity.
 - (1a) The permit transfer application shall be submitted jointly by the permit holder and the successor-owner except that the successor-owner may solely submit the application in any of the following circumstances:
 - a. The permit holder is a natural person who is deceased or is a business association that is described by sub-sub-subdivision (1)a.2. of this subsection.
 - b. The successor-owner requests that the ~~Department~~Department, or local government, accept the application without the signature of the permit holder.
 - (1b) When the permit transfer conditions set forth in subdivision (1) of this subsection are met on or after July 1, 2021, the ~~Department~~Department, or local government, shall require that a permit transfer application be submitted within 90 days.

(1c) When the permit transfer conditions set forth in subdivision (1) of this subsection were met prior to July 1, 2021, the ~~Department~~Department, or local government, may request a permit transfer application at any time after determining that the permit transfer conditions have been met and may require this application be submitted within 180 days of the request. Where a permit holder can demonstrate to the ~~Department~~Department, or local government, that the activity on the property was in substantial compliance with its permit in the period either 12 months immediately before or after the conditions of subdivision (1) of this subsection were met, then the requirements included in subdivision (1d) of this subsection shall be the sole responsibility of the successor-owner.

...
(4) Notwithstanding changes to law made after the original issuance of the permit, the ~~Department~~Department, or local government, shall not impose new or different design standards on the project without the prior express consent of the successor-owner.

...."

SECTION 13.1.(b) G.S. 153A-454 reads as rewritten:

"§ 153A-454. Stormwater control.

...
(e) A county that issues permits for stormwater management systems within its jurisdiction shall be subject to the provisions governing transfer of permits set forth in G.S. 143-214.7(c2) and (c5)."

SECTION 13.1.(c) G.S. 160D-925 reads as rewritten:

"§ 160D-925. Stormwater control.

...
(f) A local government that issues permits for stormwater management systems within its jurisdiction shall be subject to the provisions governing transfer of permits set forth in G.S. 143-214.7(c2) and (c5)."

SEVERABILITY CLAUSE

SECTION 14. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part declared to be unconstitutional or invalid.

EFFECTIVE DATE

SECTION 15. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of June, 2023.

s/ Phil Berger
President Pro Tempore of the Senate

s/ Tim Moore
Speaker of the House of Representatives

VETO Roy Cooper
Governor

Became law notwithstanding the objections of the Governor at 6:21 p.m. this 16th day of August, 2023.

s/ Ms. Sarah Holland
Senate Principal Clerk