21 NCAC 12 .0103 is amended with changes as published in 32:10 NCR 968-981 as follows:

21 NCAC 12 .0103 STRUCTURE OF BOARD

(a) Officers. Annually, during the April meeting, the Board shall elect from its members a Chairman and Vice-Chairman. The Chairman shall preside over all meetings of the Board and perform such other duties as he or she may be directed to do by the Board. The Vice-Chairman shall function as Chairman if the Chairman is unavailable.

(b) Secretary-Treasurer. In addition to those duties and responsibilities required of him or her by the G.S. 87-8, the Secretary-Treasurer, referred to as “Secretary-Treasurer” or “Executive Director,” as the Board’s Chief Administrative Officer, has the responsibility and power to:

1. employ the clerical and legal services necessary to assist the Board in carrying out the requirements of the North Carolina General Statutes;
2. purchase or rent whatever office equipment, stationery, or other miscellaneous articles as are necessary to keep the records of the Board;
3. make expenditures from the funds of the Board by signing checks, or authorizing the designee of the Secretary-Treasurer to sign checks, for expenditures after the checks are signed by the Chairman or Vice-Chairman; and
4. do such other acts as may be required of him or her by the Board.

(c) Official Meetings of the Board.

1. Regular Meetings. Regular meetings shall be held during January, April, July and October of each year at the Board’s office or at any other place so designated by the Board.

2. Special Meetings. Special meetings shall be held as set out in the bylaws of the Board, called and conducted in accordance with Article 33C of Chapter 143 of the North Carolina General Statutes.

3. Notice of Meetings. Regular meetings of the Board shall be held after each Board member is duly notified by the Secretary-Treasurer of the date of the meeting. However, any person or persons requesting a special meeting of the Board shall, at least two days before the meeting, give notice to the other members of the Board of that meeting by electronic mail or notification on the Board’s website. Such notice must specify the purpose for which the meeting is called. Notice of all official meetings of the Board shall be given pursuant to Article 33C of Chapter 143 of the North Carolina General Statutes.

History Note: Authority G.S. 87-2; 87-4; 87-6; 87-7; Eff. February 1, 1976; Readopted Eff. September 26, 1977; Amended Eff. April 1, 2014; August 1, 2002; January 1, 1992; May 1, 1989; January 1, 1983; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016. Amended Eff. April 1, 2018.
21 NCAC 12 .0204 is amended with changes as published in 32:10 NCR 968-981 as follows:

**21 NCAC 12 .0204 LICENSE LIMITATIONS; ELIGIBILITY**

(a) All licenses shall have an appropriate limitation as set forth in this Rule.

(a) [b] Limited License. The applicant for a limited license must: shall:

(1) Be entitled to be admitted to the examination given by the Board and must [shall] meet the requirements set out in G.S. 87-10 and Section .0400 of this Chapter;

(2) Be financially stable to the extent that the total current assets of the applicant or the firm or corporation he or she represents exceed the total current liabilities by at least seventeen thousand dollars ($17,000) or the total net worth of the applicant or firm is at least eighty thousand dollars ($80,000);

(3) Pass the examination given by the Board for which shall contain subject matter related to the specific contracting classification chosen by the applicant with a score of 70 percent or higher; as set out in Rule .0404 of this Chapter; and

(4) Provide if the applicant or any owner, principal, or qualifier is in bankruptcy or has been in bankruptcy within five years prior to the filing of the application, provide to the Board an audited financial statement with a classified balance sheet as part of the application. The audited financial statement shall be prepared by a certified public accountant.

(b) [c] Intermediate License. The applicant for an intermediate license must: shall:

(1) Be entitled to be admitted to the examination given by the Board and must [shall] meet the requirements set out in G.S. 87-10 and Section .0400 of this Chapter;

(2) Be financially stable to the extent that the total current assets of the applicant or the firm or corporation he or she represents exceed the total current liabilities by at least seventy-five thousand dollars ($75,000), as reflected in an audited financial statement prepared by a certified public accountant or an independent accountant who is engaged in the public practice of accountancy; and

(3) Pass the examination given by the Board for which shall contain subject matter related to the specific contracting classification chosen by the applicant with a score of 70 percent or higher; as set out in Rule .0404 of this Chapter.

(c) [d] Unlimited License. The applicant for an unlimited license must: shall:

(1) Be entitled to be admitted to the examination given by the Board and must [shall] meet the requirements set out in G.S. 87-10 and Section .0400 of this Chapter;

(2) Be financially stable to the extent that the total current assets of the applicant or the firm or corporation he or she represents exceed the total current liabilities by at least one hundred fifty
thousand dollars ($150,000), as reflected in an audited financial statement prepared by a certified public accountant or an independent accountant who is engaged in the public practice of accountancy;

(3) Pass the examination given by the Board for which shall contain subject matter related to the specific contracting classification chosen by the applicant with a score of 70 percent or higher, as set out in Rule .0404 of this Chapter.

Surety Bonds. In lieu of demonstrating the required level of working capital as required by in Subparagraphs [(b)(2)] (c)(2) and [(e)(2)] (d)(2) of this Rule or net worth under Subparagraph [(a)(2)] (b)(2) of this Rule, an applicant may obtain a surety bond from a surety authorized to transact surety business in North Carolina pursuant to G.S. 58 Articles 7, 16, 21, or 22. The surety shall maintain a rating from A.M. Best, or its successor rating organization, of either Superior (A++ or A+) or Excellent (A or A-). The bond shall be continuous in form and shall be maintained in effect for as long as the applicant maintains a license to practice general contracting in North Carolina or until the applicant demonstrates the required level of working capital as required by Subparagraphs [(b)(2)] (c)(2) and [(e)(2)] (d)(2) of this Rule. The application form and subsequent annual license renewal forms shall require proof of a surety bond meeting the requirements of this Rule. The applicant shall maintain the bond in the amount of three hundred fifty thousand dollars ($350,000) for a limited license, one million dollars ($1,000,000) for an intermediate license, and two million dollars ($2,000,000) for an unlimited license. The bond shall list the State of North Carolina as obligee and be for the benefit of any person who is damaged by an act or omission of the applicant constituting breach of a construction contract or contract, breach of a contract for the furnishing of labor, materials, or professional services to construction undertaken by the applicant, or by an unlawful act or omission of the applicant in the performance of a construction contract. The bond required by this Rule shall be in addition to and not in lieu of any other bond required of the applicant by law, regulation, or any party to a contract with the applicant. Should the surety cancel the bond, the surety and the applicant both shall notify the Board within 30 days in writing. If the applicant fails to provide written proof of financial responsibility in compliance with this Rule within 30 days of the bond's cancellation, then the applicant's license is suspended until written proof of compliance is provided.

Suspension. After a suspension of four years, the applicant shall fulfill all requirements of a new applicant for licensure. The practice of general contracting by an applicant whose license has been suspended pursuant to this Rule shall subject the applicant to additional disciplinary action by the Board.

Reciprocity. An applicant that requests reciprocity as set forth in G.S. 87-15.1 must comply with all other requirements of the rules in this Chapter to be eligible to be licensed in North Carolina as a general contractor.

Accounting Financial statements, accounting, and reporting standards. Financial statements submitted by applicants to the Board shall be no older than twelve months from the date of submission. Financial statements shall conform to United States “generally accepted accounting principles” (GAAP). The Board may require non-GAAP financial statements from applicants wherein the only exception to GAAP is that such presentation is necessary to ascertain the working capital or net worth of the particular applicant. Examples of such circumstances when non-GAAP presentation is necessary to ascertain the working capital or net worth of the applicant are when the only exception to GAAP is that assets and liabilities are classified as "current" and "noncurrent" on
personal financial statements and when the only exception to GAAP is that the particular applicant is not combined
with a related entity into one financial statement pursuant to AICPA Financial Interpretation 46R (ASC 810). The
terminologies, working capital, balance sheet with current and fixed assets, current and long term liabilities, and any
other accounting terminologies, used herein shall be construed in accordance with GAAP Standards as promulgated
by the Financial Accounting Standards Board (FASB). The terminologies, audited financial statement, unqualified
opinion, and any other auditing terminologies used herein shall be construed in accordance with those standards
referred to as "generally accepted auditing standards" (GAAS) as promulgated by the American Institute of Certified
Public Accountants (AICPA). Audited financial statements submitted in accordance with this Rule and Rule .0503 of
this Chapter shall be in accordance with generally accepted auditing standards. Unaudited financial statements
prepared in accordance with Paragraph (b)(2) of this Rule and Rule .0503 of this Chapter shall be submitted on a form
provided by the Board that allows the Board to ascertain either the working capital or the net worth of the particular
applicant to verify financial stability.

History Note:        Authority G.S. 87-1; 87-4; 87-10; 87-15.1;
Eff. February 1, 1976;
Readopted Eff. September 26, 1977;
Amended Eff. January 1, 1983;
ARRC Objection March 19, 1987;
Amended Eff. May 1, 1989; August 1, 1987;
Temporary Amendment Eff. June 28, 1989 for a Period of 155 Days to Expire on December 1, 1989;
Amended Eff. December 1, 1989;
Temporary Amendment Eff. May 31, 1996;
RRC Removed Objection Eff. October 17, 1996;
Amended Eff. August 1, 1998; April 1, 1997;
Temporary Amendment Eff. August 24, 1998;
Amended Eff. April 1, 2014; April 1, 2013; August 1, 2008; April 1, 2006; March 1, 2005; August 1, 2002; April 1, 2001; August 1, 2000;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;
Amended Eff. April 1, 2018.
21 NCAC 12 .0205 is amended with changes as published in 32:10 NCR 968-981 as follows:

21 NCAC 12 .0205  FILING DEADLINE/APP SEEKING QUAL/EMP/ANOTHER QUALIFIER

(a) Any application made pursuant to G.S. 87-10 for a new applicant seeking qualification by employment of a person who has already passed an examination shall be completed and filed at least 30 days before any regular or special meeting of the Board. At such meeting, the Board shall consider the application.

(b) The qualifier for the applicant shall be a responsible managing employee, officer, or member of the personnel of the applicant, as described in G.S. 87-10 and Rule .0408(a) of this Chapter. A person may serve as a qualifier for no more than two licenses. A person may not serve as a qualifier under this Rule if such person has not served as a qualifier for a license of the appropriate classification for more than four years prior to the filing of the application currently under review. A qualifier’s examination credentials shall archive if the qualifier does not serve as a qualifier for an active licensee for a period of four consecutive years. Any subsequent attempts to qualify for a license shall require the qualifier to earn a passing grade. Subject to the provisions of G.S. 150B and Section .0800 of these Rules, the Board may reject the application of an applicant seeking qualification by employment of a person who has already passed an examination if such person has previously served as qualifier for a licensee that has been disciplined by the Board.

(c) The holder of a general contractors license shall notify the Board immediately in writing as to the termination date in the event the qualifying individual or individuals cease to be connected with the licensee. The notice shall include the date on which the qualifier was last connected with the licensee and shall be submitted no later than 10 days after the date of separation. A qualifier shall also be required to notify the Board in writing in such circumstances. After such notice is filed with the Board, the Board determines that the qualifying individual or individuals are no longer connected with the licensee, if there are no additional qualifiers for the licensee, the license shall remain in full force and effect for a period of 90 days from the termination date, and then is cancelled, becomes invalid unless a qualifier has transferred a valid examination credential to the licensee, as provided by G.S. 87-10(c). Holders of a general contractors license are entitled to reexamination or replacement of the qualifying individual’s credentials in accordance with G.S. 87-10, but may not engage in the practice of general contracting for any project whose cost exceeds the monetary threshold set forth in G.S. 87-1 after the license has been cancelled, until another qualifying individual has passed an examination.

(d) “Responsible managing” as used in G.S. 87-10 shall describe a person who is engaged in the work of the applicant a minimum of 20 hours per week or a majority of the hours operated by the applicant, whichever is less.

(e) “Members of the personnel” as used in G.S. 87-10 shall describe a person who is a responsible managing employee of the applicant. A member of the personnel shall not be an independent contractor.
(f) An applicant or licensee may have more than one qualifier. If one person associated with the applicant fails, and another passes, the license will be granted to that applicant. A license will be issued only in the classification held by a qualifier who has passed an examination in that classification.

History Note: Authority G.S. 87-1; 87-4; 87-10; 87-11(a);
Eff. February 1, 1976;
Readopted Eff. September 26, 1977;
Amended Eff. April 1, 2014; July 1, 2008; April 1, 2006; August 1, 2000; June 1, 1994; June 1, 1992; May 1, 1989; July 1, 1987;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;
Amended Eff. April 1, 2018.
21 NCAC 12 .0211 is amended with changes as published in 32:10 NCR 968-981 as follows:

21 NCAC 12 .0211  MULTIUNIT BUILDINGS

For the purposes of determining whether or not the cost of the undertaking is thirty thousand dollars ($30,000) or more under G.S. 87-1, and whether or not the value of any single project falls within the license limitations established by G.S. 87-10(a),

(a) If a project consists of the construction or alteration of one or more buildings comprised of three or more units within each building, including apartments, condominiums, and townhomes, then all such units in a building shall be considered in determining the cost of the undertaking under G.S. 87-1 and the value of the project under G.S. 87-10(a), that fall under the requirements of the North Carolina Building Code, all structures and units on the same parcel of land shall be considered as a single project.

(b) If a project consists of the construction or alteration of one or more buildings that fall under the requirements of the North Carolina Residential Code, only structures and units on the same parcel of land shall be considered as one project.

(c) The North Carolina State Building Code standards are hereby incorporated by reference, including subsequent amendments and editions. The current Code may be found online at http://www.ncdoi.com/OSFM/Engineering_and_Codes/Default.aspx?field1=Codes-Current_and_Past&user=State_Building_Codes.

History Note: Authority G.S. 87-1; 87-4; 87-10;

Eff. August 11, 2009;

Amended Eff. April 1, 2010;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;

Amended Eff. April 1, 2018.
21 NCAC 12 .0301 is repealed as published in 32:10 NCR 968-981 as follows:

SECTION .0300 - APPLICATION PROCEDURE

21 NCAC 12 .0301  GENERAL

History Note:  Authority G.S. 87-1; 87-10;
Eff. February 1, 1976;
Readopted Eff. September 26, 1977;
Amended Eff. May 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;
Repealed Eff. April 1, 2018.
21 NCAC 12 .0302 is repealed as published in 32:10 NCR 968-981 as follows:

21 NCAC 12 .0302 REQUEST

History Note: Authority G.S. 87-1; 87-10; 150B-19(5);
Eff. February 1, 1976;
Amended Eff. June 23, 1977;
Readopted Eff. September 26, 1977;
Amended Eff. May 1, 2006; December 1, 1995; June 1, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;
Repealed Eff. April 1, 2018.
21 NCAC 12 .0305 is repealed as published in 32:10 NCR 968-981 as follows:

21 NCAC 12 .0305 FILING ADDRESS

History Note: Authority G.S. 87-1; 87-10;
Eff. February 1, 1976;
Amended Eff. June 23, 1977;
Readopted Eff. September 26, 1977;
Amended Eff. May 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;
Repealed Eff. April 1, 2018.
21 NCAC 12  .0402 is repealed as published in 32:10 NCR 968-981 as follows:

**21 NCAC 12  .0402  SUBJECT MATTER**

*History Note:  Authority G.S. 87-1; 87-10;  
Eff. February 1, 1976;  
Readopted Eff. September 26, 1977;  
Amended Eff. August 1, 2000; June 1, 1994; May 1, 1989;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;  
Repealed Eff. April 1, 2018.*
21 NCAC 12 .0408 is repealed as published in 32:10 NCR 968-981 as follows:

**21 NCAC 12 .0408 PERSON TAKING EXAMINATION**

*History Note: Authority G.S. 87-1; 87-10; Eff. February 1, 1976; Readopted Eff. September 26, 1977; Amended Eff. April 1, 2006; September 1, 1992; May 1, 1989; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016; Repealed Eff. April 1, 2018.*
21 NCAC 12.0410 is repealed as published in 32:10 NCR 968-981 as follows:

21 NCAC 12.0410   FAILING EXAMINATION

History Note:  Authority G.S. 87-10;
               Eff. December 1, 1995;
               Amended Eff. August 1, 2000;
               Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;
               Repealed Eff. April 1, 2018.
21 NCAC 12 .0503 is amended with changes as published in 32:10 NCR 968-981 as follows:

21 NCAC 12 .0503  RENEWAL OF LICENSE

(a) Form. The Board's renewal form shall require the applicant to include the following information: [Applicants]

Applications for renewal of license shall contain the following:

(1) whether there were any changes made in the status of the licensee's business during the preceding year; and the Social Security Number of the applicant and qualifier(s) and tax identification number for corporations, LLCs, or partnerships;

(2) a financial statement for the licensee's business. The financial statement need not be prepared by a certified public accountant or by a qualified independent accountant, but may be completed by the licensee on the form itself; the applicant's contact information;

(3) the name of business under which licensee will be operating, if any;

(4) information regarding any changes made in the status of the licensee's business, since the initial application or last renewal was submitted to the Board, whichever is later;

(5) confirmation of license limitation and classifications;

(6) information about all crimes of which the applicant has been convicted since the initial application or last renewal was submitted to the Board, whichever is later;

(7) documentation regarding all crimes referenced above;

(8) information indicating whether the applicant has any disciplinary history with any other occupational licensing, [registration], registration, or certification agency since the initial application or last renewal was submitted to the Board, whichever is later;

(9) a financial statement prepared by a representative of the licensee on a form provided by the [Board, an acceptable substitute] Board or by a certified public accountant to demonstrate continued financial responsibility pursuant to Rule .0204 of this Chapter; [and]

(10) if applicable, proof that the surety bond is maintained in compliance with Rule .0204 of this Chapter; and

[10] (11) the application fee [as set forth in Rule .0304 of this Chapter] and any accrued late [fees.] fees as set forth in Rule .0304 of this Chapter.

(b) The Board shall require a licensee to submit an audited financial statement if there is any evidence indicating that the licensee may be unable to meet its financial obligations. A licensee shall be required to provide evidence of continued financial responsibility satisfactory to the Board, pursuant to Rule .0204 of this Chapter, if there are indications submit an audited financial statement as evidence of continued financial responsibility in accordance with Rule .0204 of this Chapter if the Board finds that the licensee is insolvent, financially unstable, or unable to meet its financial responsibilities based upon the information provided in the renewal application. Except as provided herein, evidence [Evidence] of financial responsibility shall be subject to approval by the Board in accordance with the requirements of Rule .0204 of this Chapter.
(c) A licensee shall provide the Board with a copy of any bankruptcy petition filed by the licensee within 30 days of its filing. A licensee in bankruptcy shall provide to the Board an audited financial statement prepared by a certified public accountant with a classified balance sheet as part of any application for renewal. A corporate licensee shall notify the Board of its dissolution, suspension of its corporate charter, or withdrawal of its Certificate of Authority within 30 days of such dissolution, suspension, or withdrawal.

(d) A corporate license shall not be renewed unless it is in good standing with the N.C. Department of the Secretary of State.

(e) Upon receipt of a written request by or on behalf of a licensee who is currently in good standing with the Board, is serving in the armed forces of the United States, and to whom G.S. 105-249.2 grants an extension of time to file a tax return, the Board shall grant that same extension of time for complying with renewal application deadlines, for paying renewal fees, and for meeting any other requirement or conditions related to the maintenance or renewal of the license issued by the Board. The applicant shall furnish to the Board a copy of the military orders or the extension approval by the Internal Revenue Service or by the North Carolina Department of Revenue.

History Note: Authority G.S. 87-1; 87-4; 87-10; 87-12; 87-13; 93B-15;
Eff. February 1, 1976;
Readopted Eff. September 26, 1977;
ARRC Objection March 19, 1987;
Amended Eff. May 1, 1989; August 1, 1987;
Temporary Amendment Eff. June 28, 1989 for a period of 155 Days to Expire on December 1, 1989;
Amended Eff. December 1, 1989;
RRC Removed Objection of March 19, 1987 Eff. August 20, 1992 based on subsequent amendment;
Amended Eff. September 1, 1992;
Temporary Amendment Eff. May 31, 1996;
Amended Eff. April 1, 2014; June 1, 2011; June 1, 2003; April 1, 2003; August 1, 2002; April 1, 1997;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;
Amended Eff. April 1, 2018.
21 NCAC 12 .0504 is amended with changes as published in 32:10 NCR 968-981 as follows:

**21 NCAC 12 .0504 INCREASE IN LIMITATION**

(a) General. A person, firm, or corporation holding a valid license to engage in the practice of general contracting in North Carolina may apply for a different limitation by making application for such different limitation with the Board on a form prescribed and furnished by the Board. The application shall contain the following:

1. the Social Security Number of individual applicant, and tax identification number for corporations, LLCs, or partnerships;
2. the applicant’s contact information;
3. the exact name of the business as reflected on the previously issued license that is subject to the limitation increase application;
4. information regarding any changes made in the status of the licensee’s business since the initial application or last renewal was submitted to the Board, whichever is later;
5. confirmation of license limitation and classifications;
6. requested limitation;
7. an audited financial statement to be prepared by a certified public accountant to demonstrate financial responsibility pursuant to Rule .0204; and
8. if applicable, proof that the surety bond is maintained in compliance with Rule .0204 of this Chapter.

(b) Request. A request for the required application form may be made at the address shown in Rule .0101 of this Chapter.

(c) Form. The application form for a change in limitation requires the applicant to set forth his professional qualifications and his present and past experience in general contracting. An audited financial statement prepared by a certified public accountant or by an independent accountant who is engaged in the public practice of accountancy is required with the application for change in limitation.

(d) Eligibility. An applicant for a new limitation is shall be eligible for the requested change a new limitation if he or she possesses the qualifications for the limitations as set forth in necessary in accordance with Rule .0204 of this Chapter with the exception that such applicant Chapter, except that he or she shall not be required to take a written examination. exam.

(e) Filing Deadline. An applicant who wishes to have his application considered for a change in limitation must file his application no later than the first day of the month preceding any regularly scheduled meeting of the Board. At such meeting the Board will consider the application. Regular meetings of the Board are in January, April, July and October of each year.

(f) Fees. The fees for issuance of limited, intermediate, and unlimited licenses are as provided by G.S. 87-10.

(g) Notice of Approval. Within two weeks after the regular meeting of the Board in which a timely filed application is considered, the Board will notify the applicant of its decision. If the application is approved, a certification of
license in the new limitation will be issued by the Board and the applicant, as of the time of notice of the approval, may conduct himself or itself in accordance with the rights available under the limitation granted.

History Note: Authority G.S. 87-1; 87-4; 87-10;

Eff. February 1, 1976;
Amended Eff. June 23, 1977;
Readopted Eff. September 26, 1977;
Amended Eff. May 1, 1989; January 1, 1983;
Temporary Amendment Eff. June 28, 1989, for a period of 155 days to expire on December 1, 1989;
Amended Eff. August 1, 2000; December 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;
Amended Eff. April 1, 2018.
21 NCAC 12 .0701 is amended with changes as published in 32:10 NCR 968-981 as follows:

SECTION .0700 – BOARD DISCIPLINARY PROCEDURES

21 NCAC 12 .0701    IMPROPER PRACTICE

(a) Complaint. Any person who believes that any a licensed general contractor is in violation of the provisions of G.S. 87-11 may prefer charges file a complaint with the Board against that person or corporation a licensee, qualifier, or both by setting forth in writing those charges and swearing to their authenticity. The charges shall be filed with the Secretary-Treasurer of the Board at the Board's address in Rule .0101 of this Chapter. complaint shall be submitted to the Board and include the complainant's contact information, project location, and name of the licensee, qualifier, or both.

(b) Preliminary or Threshold Determination:

(1) A complaint filed in accordance with G.S. 87-11(a1) shall be forwarded to a staff investigator for investigation. Simultaneously, Within 30 days, the Board shall forward a written notice of and explanation of the charge to the person or corporation the complaint to the licensee and qualifier(s) against whom the charge is made. The notice shall request a response from the person or corporation so charged to show compliance with all lawful requirements for retention of the license. licensee and qualifier(s). The Board shall send notice of the charge and of the alleged facts or alleged conduct by first class mail to the last known address of the person or corporation, and by email to the address of the licensee and qualifier(s).

(2) After the investigation is complete, the charge shall be referred to the review committee. The review committee shall consist of the following individuals:

(A) one member of the Board;

(B) the Secretary-Treasurer or his designee; and

(C) either a staff person or Board member agreed upon by the individuals listed above.

(3) The Based upon the complaint and investigation, the review committee shall recommend to the Board that:

(A) The charge be dismissed as unfounded or trivial; dismissed;

(B) When the charge is admitted as true by the respondent, licensee and qualifier(s), the Board accept the respondent's licensee's and qualifier(s') admission of guilt and order the respondent licensee and qualifier(s) not to commit in the future the act or acts admitted by him to have been violated and not to violate any of the acts of misconduct specified in G.S. 87-11 at any time in the future; or

(C) The charge, whether admitted or denied, be presented to the full Board for a hearing and determination by the Board on the merits of the charge in accordance with the substantive and procedural requirements of the provisions of Section .0800 of this Chapter and the
provisions of G.S. 87-11. Prior to the charge's being heard and determined by the Board, it may be resolved by consent order.

(4) The review committee shall not be required to notify the parties of the reasons for its recommendation.

(c) Board Determination. After a hearing, in accordance with the hearing requirements of Section .0800 of this Chapter, the Board shall make a determination of the charge based upon the requirements of G.S. 87-11.

History Note: Authority G.S. 87-4; 87-11; 150B-3; 150B-38;

Eff. February 1, 1976;

Readopted Eff. September 26, 1977;

Amended Eff. April 1, 2014; June 1, 2011; April 1, 2006; April 1, 2003; May 1, 1989;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;

Amended Eff. April 1, 2018.
21 NCAC 12 .0702 is amended with changes as published in 32:10 NCR 968-981 as follows:

21 NCAC 12 .0702  UNLAWFUL UNLICENSED PRACTICE

(a) Complaint. Any person who believes that any person, firm, or corporation is in violation of the acts specified in G.S. 87-13 may file a complaint against that person, firm, or corporation. The complaint shall be filed with the Secretary-Treasurer of the Board at the Board’s mailing address in Rule .0101 of this Chapter, and include the complainant’s contact information, project location, and name of alleged violator.

(b) Preliminary or Threshold Determination:

(1) A complaint filed in accordance with G.S. 87-13 shall be forwarded to a staff investigator for investigation. Board staff shall investigate the charge to determine whether there is probable cause to believe that a party against whom a charge has been brought violated the provisions of G.S. 87-13.

(2) After the investigation is complete, the charge shall be referred to the review committee. The review committee shall consist of the following individuals:

(A) one member of the Board;
(B) the Secretary-Treasurer or his designee; and
(C) either a staff person or Board member agreed upon by the individuals listed above.

(3) If based upon the complaint and investigation, if the review committee determines that probable cause exists that a person, firm, or corporation is practicing general contracting without a license, it shall forward the decision along with the reasons for the decision and any evidence accumulated by it to Board counsel for appropriate action. If the Board concurs with the review committee’s recommendation, the investigation shall be forwarded to Board counsel to seek injunctive relief. If the review committee does not find probable cause, it shall recommend to the Board dismissal of the complaint. Once dismissed, the Board shall notify the complainant.

History Note: Authority G.S. 87-1; 87-4; 87-13; 87-13.1;
Eff. February 1, 1976;
Readopted Eff. September 26, 1977;
Amended Eff. April 1, 2014; June 1, 2011; May 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;
Amended Eff. April 1, 2018.
21 NCAC 12 .0703 is amended with changes as published in 32:10 NCR 968-981 as follows:

21 NCAC 12 .0703  FEE FOR SUBMITTAL OF BAD CHECK

(a) The Board shall charge the maximum processing fee allowed by law G.S. 25-3-506 if a check submitted to the Board is subsequently returned due to insufficient funds at or no account in by a financial institution because of insufficient funds or because the drawer did not have an account at that bank.

(b) Until such time as the drawer of the bad check has paid the prescribed fee, the drawer shall not be eligible to take an examination, review an examination, obtain a license, or have the license renewed. For the purpose of this Rule, "prescribed fee" shall mean the sum of:

1. the maximum processing fee described in Paragraph (a) of this Rule, allowed by G.S. 25-3-506;
2. the renewal or application fee, whichever is applicable; and
3. the late payment fee described in G.S. 87-10(e).

(c) Any license that has been issued or renewed based on a check which is subsequently returned to the Board for reasons stated in Paragraph (a) of this Rule is invalid until such time as the drawer has paid the prescribed fee. The invalidity of the license or renewal shall be deemed to have commenced on the date of the issuance of the license or renewal.

(d) Payment of the prescribed fee to the Board shall be made in the form of a cashier's check or money order, credit card, or debit card.

(e) In the event the drawer of the bad check fails to pay the prescribed fee, during which time the license or renewal lapses for four years, no renewal shall be effected the license shall not be renewed and the drawer licensee for whom the check was to benefit shall fulfill all requirements of a new applicant set forth in G.S. 87-10 and Rules .0303 and .0503 of this Chapter.

History Note: Authority G.S. 25-3-506; 87-4; 87-10;
Eff. January 1, 1983;
Amended Eff. April 1, 2014; April 1, 2003; May 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;
Amended Eff. April 1, 2018.
21 NCAC 12 .0817 is repealed as published in 32:10 NCR 968-981 as follows:

21 NCAC 12 .0817    RIGHT TO HEARING

History Note: Authority G.S. 87-11(b); 150B-11; 150B-38;
Eff. September 1, 1988;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;
Repealed Eff. April 1, 2018.
21 NCAC 12 .0818 is amended with changes as published in 32:10 NCR 968-981 as follows:

21 NCAC 12 .0818 REQUEST FOR HEARING

(a) Any time an aggrieved person believes his rights, duties, or privileges have been affected by the Board’s administrative action, but has not received notice of a right to an administrative hearing pursuant to Rule .0817 of this Section, the aggrieved person may file a request for an administrative hearing.

(b) Before an aggrieved person may file a request he must first exhaust all reasonable efforts to resolve the issue informally with the Board.

(c) Subsequent to such informal action, if still dissatisfied, the person aggrieved as defined by G.S. 150B-2 shall submit a request for a hearing pursuant to 150B-38 before the Board in writing to the Board's office, with the request bearing the notation: REQUEST FOR ADMINISTRATIVE HEARING. The request shall contain the following information:

   (1) Name and address of the aggrieved person;
   (2) A statement of the action taken by the Board which is challenged;
   (3) A statement of the way in which the aggrieved person has been aggrieved;
   (4) A request for a hearing.

(d) An aggrieved person shall submit a request for an administrative hearing to the Board's office within 60 days of receipt of notice of the action taken by the Board which is challenged. The Board shall acknowledge the request and schedule a hearing.

History Note: Authority G.S. 87-4; 87-11(b); 87-11; 150B-11; 150B-38;
Eff. September 1, 1988;
Amended Eff. June 1, 2011; August 1, 2002;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;
Amended Eff. April 1, 2018.
21 NCAC 12 .0820 is amended with changes as published in 32:10 NCR 968-981 as follows:

21 NCAC 12 .0820 NOTICE OF HEARING

(a) The Board shall give the party or parties in a contested case a notice of hearing not less than 15 days before the hearing. Said notice shall contain the following information, in addition to the items specified in G.S. 150B-38(b): 150B-38(b).

(1) the name, position, address and telephone number of a person at the offices of the Board to contact for further information or discussion;

(2) the date, time, and place for a pre-hearing conference, if any; and

(3) any other information deemed relevant to informing the parties as to the procedure of the hearing.

(b) If Based upon information received, if the Board determines that the public health, safety, or welfare requires such emergency action, it may issue an order summarily suspending a license or permit, exam credentials.

Upon service of the order, the licensee or permit holder qualifier to whom the order is directed shall immediately cease the practice of general contracting in North Carolina. The Board shall promptly give notice of hearing pursuant to G.S. 150B-38 following service of the order. The suspension shall remain in effect pending issuance by the Board of a final agency decision pursuant to G.S. 150B-42.

History Note: Authority G.S. 87-4; 87-11(b); 150B-3(c); 150B-11; 150B-38;
Eff. October 1, 1988;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;
Amended Eff. April 1, 2018.
21 NCAC 12 .0826 is amended with changes as published in 32:10 NCR 968-981 as follows:

**21 NCAC 12 .0826  FAILURE TO APPEAR**

Should a party fail to appear at a scheduled hearing, the Board, or the designated administrative law judge, may proceed with the hearing and make its decision in the absence of the party, provided that the party has been given proper notice in accordance with G.S. 150B-38 and unless otherwise directed by law. The Board or the administrative law judge may order a continuance in order to give the party another opportunity to appear as determined on a case by case basis and upon good cause shown.

**History Note:** Authority G.S. 87-4; 87-11(b); 150B-11; 150B-38; 150B-40;

Eff. October 1, 1988;


Amended Eff. April 1, 2018.
21 NCAC 12 .0827 is amended with changes as published in 32:10 NCR 968-981 as follows:

21 NCAC 12 .0827  SUBPOENAS

(a) Requests for subpoenas for the attendance and testimony of witnesses or for the production of documents, either at a hearing or for the purposes of discovery, shall:

1. be made in writing to the Board and shall;
2. identify any documents sought with specificity, and shall;
3. include the full name and home or business address of all persons to be subpoenaed and;
4. if known, the date, time, and place for responding to the subpoena.

The Board shall issue the requested subpoenas within three days of receipt of the request.

(b) Subpoenas shall contain:

1. the caption of the case;
2. the name and address of the person subpoenaed;
3. the date, hour, and location of the hearing in which the witness is commanded to appear;
4. a particularized description of the books, papers, records, or objects the witness is directed to bring with him to the hearing, if any;
5. the identity of the party on whose application the subpoena was issued;
6. the date of issue;
7. the signature of the presiding officer or his designee; and
8. a "return of service." The "return of service" form as filled out, shall:
   i. the name and capacity of the person serving the subpoena;
   ii. the date on which the subpoena was delivered to the person directed to make service;
   iii. the date on which service was made;
   iv. the person on whom service was made;
   v. the manner in which service was made; and
   vi. the signature of the person making service.

(c) Subpoenas shall be served by the sheriff of the county in which the person subpoenaed resides, when the party requesting such subpoena prepays the sheriff's service fee, in a manner set forth in Rule 45 of the N.C. Rules of Civil Procedure. The subpoena shall be issued in duplicate, with a "return of service" form attached to each copy. A person serving the subpoena shall fill out the "return of service" form for each copy and properly return one copy of the subpoena, with the attached "return of service" form completed, to the Board.

(d) Any person receiving a subpoena from the Board may object thereto by filing a written objection to the subpoena with the Board's office. Written objections shall comply with Rule 45 of the N.C. Rules of Civil Procedure.

(e) Such objection shall include a concise, but complete, statement of reasons why the subpoena should be revoked or modified. These reasons may include lack of relevancy of the evidence sought, or any other reason sufficient in
law for holding the subpoena invalid, such as that the evidence is privileged, that appearance or production would be
so disruptive as to be unreasonable in light of the significance of the evidence sought, or other undue hardship.

(f) Any such objection to a subpoena must be served on the party who requested the subpoena simultaneously with
the filing of the objection with the Board.

(g) The party who requested the subpoena, in such time as may be granted by the Board, may file a
written response to the objection. The written response shall be served by the requesting party on the objecting witness
simultaneously with filing the response with the Board.

(h) After receipt of the objection and response thereto, if any, the Board shall issue a notice to the party who
requested the subpoena and the party challenging the subpoena, and may notify any other party or parties of an open
hearing, to be scheduled as soon as practicable, at which time evidence and testimony may be presented,
limited to the narrow questions raised by the objection and response.

(i) Promptly after the close of such hearing, a majority of the Board members with voting authority, or an
administrative law judge assigned to the case pursuant to G.S. 150B-40(e), will rule on the challenge and
issue a written decision. A copy of the decision will be issued to all parties and made a part of the record.

History Note: Authority G.S. 87-11(b); 150B-11; 150B-38; 150B-39; 150B-40;
Eff. October 1, 1988;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23,
2016;
Amended Eff. April 1, 2018.
21 NCAC 12 .0829 is amended with changes as published in 32:10 NCR 968-981 as follows:

**21 NCAC 12 .0829 FINAL DECISION**

In all cases heard by the Board, the Board will issue a final written decision within 60 days after its next regularly scheduled meeting following the close of the hearing. This decision will be the prerequisite "final agency decision" for the right to judicial review.

*History Note:* Authority G.S. 87-4; 87-11(b); 150B-11; 150B-38; 150B-42;

Eff. September 1, 1988;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;

Amended Eff. April 1, 2018.
21 NCAC 12 .0830 is amended with changes as published in 32:10 NCR 968-981 as follows:

21 NCAC 12 .0830 PROPOSALS FOR DECISIONS

(a) When an administrative law judge conducts a hearing pursuant to G.S. 150B-40(e), a "proposal for decision" shall be rendered within 45 days of the hearing pursuant to the Rules of the Office of Administrative Hearings, 26 NCAC 03 .0127. Any party may file written exceptions to this "proposal for decision" and submit their own proposed findings of fact and conclusions of law. The exceptions and alternative proposals must be received within ten If an administrative law judge hears a contested case pursuant to G.S. 150B-40(e), a party may file written exception and alternative finding of facts and conclusions of law to the “proposal for decision” issued by the administrative law judge. The written exceptions and alternative findings of facts and conclusions of law shall be received by the Board within 10 days after the party has received the "proposal for decision" as drafted by the administrative law judge.

(b) Any exceptions to the procedure during the hearing, the handling of the hearing by the administrative law judge, rulings on evidence, or any other matter, must shall be written and refer specifically to pages of the record or otherwise precisely identify the occurrence to which exception is taken. The exceptions must be filed with the Board within ten days of the receipt of the proposal for decision. The written exceptions shall bear the notation: EXCEPTIONS TO THE PROCEEDINGS IN THE CASE OF (Name of case).

(c) Any Pursuant to G.S. 150B-40(e), any party may present oral argument to the Board upon request. The request must be included with the written exceptions.

(d) Upon receipt of request for further oral argument, Board staff shall issue notice to all parties designating time and place for such oral argument.

(e) Giving due consideration to the proposal for decision and the exceptions and arguments of the parties, the Board may adopt the proposal for decision or may modify it as the Board deems necessary. The Board’s final decision rendered shall be a part of the record and record, a copy thereof shall be given to all parties. The decision as adopted or modified becomes parties, and shall be the “final agency decision” for the right to judicial review. Said The final written decision shall be rendered issued by the Board within 60 days of the next regularly scheduled meeting following the oral arguments, if any, from the date oral arguments were presented to the Board. If there are no oral arguments presented, the final written decision shall be rendered issued within 60 days of the next regularly scheduled board meeting following receipt of the written exceptions. date on which the Board rendered its decision.

History Note: Authority G.S. 87-4; 87-11(b); 150B-38; 150B-40;
Eff. September 1, 1988;
Amended Eff. July 1, 2008;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 23, 2016;
Amended Eff. April 1, 2018.