



North Carolina
Department of Commerce
Division of Community Assistance

Michael F. Easley, Governor
James T. Fain III, Secretary

Gloria Nance-Sims, Director

MEMORANDUM

FROM: Gloria Nance-Sims, Director

TO: NC Small Cities Community Development Block Grant Recipients
All Open Grantees

SUBJECT: Advisory Notice
Licensed Contractor Information

DATE: August 21, 2006

The Division of Community Assistance (DCA) has recently been notified of the enforcement of existing state law regarding the use of licensed contractors. This enforcement involves contracts for jobs that involve the use of licensed general, electrical, plumbers, and HVAC contractors or others covered under the General Statutes of North Carolina, Chapter 87, Article 1, Article 4, Electrical Contractor and Title 21, NCAC 18B, Board of Examiners of Electrical Contractors and Article 2, and 21 NCAC 50.

Our current understanding of the enforcement of these laws is that a licensed general contractor is the only entity able to bid on any project that involves any licensed trade, regardless of the amount. We further understand that it is unlawful to issue a building permit to anyone who is not a licensed contractor for work done in any of the above-referenced trades. We have been informed that many permitting authorities are now enforcing this provision.

If your local government determines that this enforcement is affecting your current North Carolina Small Cities Community Development Block Grant (CDBG) project, please submit information surrounding your specific situation in writing to our office. DCA will review your information and render a decision on a case-by-case basis.

We wanted you to be aware of this issue. For further information, attached with this memorandum is a copy of a letter from the State Board of Examiners of Electrical Contractors on this issue. If you have questions about memorandum, please contact Jim Liles, Rehabilitation Specialist, at 919-733-2850 or jliles@nccommerce.com. If you have an issue with your current CDBG project, please contact your Grant Representative.

Thank you for your attention.

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1307 Glenwood Avenue • 4313 Mail Service Center • Raleigh, North Carolina 27699-4313

Tel: (919) 733-2850 • Fax: (919) 733-5262

TDD 1-800-735-2962

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