

**North Carolina  
Permitting Personnel Association  
2019 Annual Meeting**

**Tiny Homes Presentation  
by Joe Sadler, PE  
Deputy Commissioner  
NC Department of Insurance  
Office of State Fire Marshal  
Manufactured Building Division**

February 21, 2019



Over the last few years, there has been a notion for people to get off the “grid”...a new group of “Do-It-Yourself’ers”



As we see on DIY websites or TV, “Tiny Homes” have even been romanticized as an ideal lifestyle choice and to build interest in living a smaller or greener life. This is a fine idea, however, there are rules that must be followed for the protection of all home or land owners as well as the occupants of a “Tiny Home”.



## **WHAT ARE SOME OF THE QUESTIONS THAT COME UP REGARDING “TINY HOMES”?**

1. How and where are they built?
2. To what Codes are they built and verified to comply?
3. How do Local Jurisdictions handle issues regarding “Tiny Home”?
  - A. Zoning?
  - B. Permitting?
  - C. Property Tax Evaluation?
  - D. Real Estate resale disclosure?
  - E. Neighbor or Consumer Complaints?
  - F. Emergency Services Access?
  - G. Utility and Environmental Issues?
    - a. Sanitary Sewage?
    - b. Water?
    - c. Gas or Electricity?
    - d. Solid Waste Disposal?
    - e. Soil Erosion and Drainage?

All of these questions and many others may be issues that be presented to you and will need to try to answer as a local Code Official or Permitting Agent in your jurisdiction. Let's look at the differences between different structures used as a dwelling in NC, either permanently or on a temporary basis.

## **DEFINING THE DIFFERENCES FOR “Tiny Homes” AND OTHER TYPES OF DWELLINGS**

### **SITE BUILT HOMES**

They are built to the **North Carolina Residential Code** as a permanent one or two family dwelling. Reviewed, permitted, inspected and accepted by Local Authority Having Jurisdiction (LAHJ).

Homes are inspected in stages as construction progresses. Verification of Code compliance is the “**Certificate of Occupancy**” or “**Certificate of Compliance**” issued by the LAHJ.

# **DEFINING THE DIFFERENCES FOR “Tiny Homes” AND OTHER TYPES OF DWELLINGS**

## **MODULAR HOMES**

They are built to the **North Carolina Residential Code** as a permanent one or two family dwelling. Designs reviewed and approved by NC Certified Independent Third Party Inspections Agencies. Inspected in-plant for Code compliance by NC Certified Independent Third Party Inspections Agencies. A **State of North Carolina Modular Construction “Validating Stamp”** verifies compliance with Code in force at the time of construction. Each section of a modular home is inspected throughout the construction process in the plant facility by the manufacturer’s workers at each station and manufacturer’s Quality Assurance personnel. Each section of a modular home is also required be inspected at some phase of construction in the manufacturer’s facility by a Independent Third Party Inspection Agency. Modular homes should be considered the same as a site-built home after installation on a permanent foundation. Modular homes are accepted as compliant by the “Validating Stamp” only for the factory built portion of the building which is closed to visual inspection by the LAHJ. Permitting, inspection of field tasks and final acceptance of a Modular home for all field performed installation activities are under the jurisdiction of the LAHJ.

## IDENTIFICATION OF A NORTH CAROLINA MODULAR HOME

A **State of North Carolina Modular Construction “Validating Stamp”** is a certification label that certifies that the modular home was constructed and inspected in the plant and that it conforms to the North Carolina Residential Code in force at the time of construction. The label or stamp can usually be found near or in the electrical panel box, in a closet or in a kitchen cabinet.

For one and two family dwelling units, there will be Only One NC Modular Label for each dwelling unit. A duplex home would have two modular labels, one for each dwelling unit. The Third Party Inspection Agency will have a label for each module of a modular home in approximately the same locations as the State Label.



### **NOTE:**

Field tasks are under the jurisdiction of the LAHJ and handled the same as site built homes for the certificate of occupancy.

# DEFINING THE DIFFERENCES FOR “TINY HOMES” AND OTHER TYPES OF DWELLINGS

## “HUD” MANUFACTURED HOMES In-Plant Construction

Built to the Federal ***“HUD” 24 CFR Part 3280 (Manufactured Home Construction and Safety Standards)*** of the Federal Code as a permanent single family dwelling. Designs are reviewed and approved by a HUD approved **DAPIA** (Design Approval Primary Inspection Agency) and inspected for HUD Code compliance by an **IPIA** (Production Inspection Primary Inspection Agency) as defined in ***“HUD” 24 CFR Part 3282*** of the Federal Code. A **HUD “Certification Label”** verifies compliance with Part 3280. Factory construction of HUD homes are strictly under HUD jurisdiction

## DEFINING THE DIFFERENCES FOR “Tiny Homes” AND OTHER TYPES OF DWELLINGS

### “HUD” Manufactured Home Installation at the Site

All field performed activities for the installation for permitting, inspection of field tasks and final acceptance of a Modular home is under the jurisdiction of the LAHJ. The local inspection of the installation of a “**NEW**” Manufactured Home is to be in accordance with the instructions in the **Manufacturer’s Installation instructions** that is delivered with the home. The local inspector should require the copy before inspection of the home. “**USED** “ Manufactured homes should be inspected using either the Installation Manual which came with the home or the “**State of North Carolina Regulations for Manufactured Homes, 2004 Edition**”, which can be found on the NCDOL website. (An updated version of the NC Regulations is currently in the final approval process)

## IDENTIFICATION OF A “HUD” MANUFACTURED HOME

A HUD label is a certification label that certifies that the manufactured home was constructed and inspected in the plant and that it conforms to the Federal Manufactured Home Construction and Safety Standards. The label can be found near **the end of the home opposite** the tongue end of the home on each individual module.



# DEFINING THE DIFFERENCES FOR “Tiny Homes” AND OTHER TYPES OF DWELLINGS

## RECREATIONAL PARK TRAILER (aka: Park Model Trailer or Park Model Recreational Vehicles)

Defined in ANSI A119.5 (American National Standards Institute):

*A trailer type unit that is primarily designed to provide temporary living quarters for recreation, camping, seasonal use that meets the following criteria:*

- a) Built on a single chassis mounted on wheels.*
- b) Having a gross trailer area not exceeding 400 square feet (37.15 square meters) in the setup mode, and if less than 320 square feet (29.72 square meters) in the setup mode would require a special movement permit for highway transit.*
- c) Certified by the manufacturer as complying with ANSI A119.5.*

**NOTE:** Due to their design, small size and use as recreation, vacation and seasonal units, PMRVs are explicitly excluded from being considered or used as a manufactured home under the codes and regulations of the U.S. Department of Housing and Urban Development (HUD) specifically because they are a type of recreation vehicle (Title 24 § 3282.8(g)).”

# Park Trailer

## Characteristics

- Less than **400 Sq. Ft.** in Area
  - Not allowed to be labeled under HUD Manufactured Housing Program
- Typically labeled as an Recreational Vehicle
- Recreational Vehicles are not regulated in North Carolina nor in most other states
- DOES NOT meet State Residential Code or HUD Standards
- Only acceptable as an RV for temporary, seasonal and recreational use.

# ANSI A119.5 Park Trailers 1988 Edition



## Park Trailer Label

Old Standard and Name

Park Trailer Standard

Voluntary Program

### Latest Park Model Standard and Name

ANSI A119.5

An American National Standard

April 7, 2015

# ANSI A119.5 Park Model Recreational Vehicle Standard 2015 Edition

# HUD RV Exemption Memo



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

OFFICE OF HOUSING

JAN 20 2015

**MEMORANDUM FOR:** RVIA, MHI, MHARR, MHCC, PIAs, SAAs

**FROM:**

Pamela Beck Danner, Administrator  
Office of Manufactured Housing Programs

**SUBJECT:**

RV Exemption under Manufactured Housing Act – Part II

This Memorandum extends the enforcement deadline of the October 1, 2014, "RV Exemption under Manufactured Housing Act" Memorandum issued by HUD's Office of Manufactured Housing Programs. The October 1, 2014, Memorandum provided:

HUD will commence reviewing for compliance its 1988 standard for measurement to ensure that units over 400 square feet meet HUD's building standards for manufactured homes that enter the first stage of production on or after April 1, 2015. Emphasis added.

On December 2, 2014, the Manufactured Housing Consensus Committee voted to recommend to HUD a further delay in the enforcement of the unit measurement standard as set forth in the October 1, 2014, memorandum (see attached) until HUD promulgates a final rule clarifying the Recreational Vehicle (RV) exemption at 24 CFR Section 3282.8(g) in HUD's Manufactured Home Procedural and Enforcement Regulations. HUD has considered the December 2, 2014, vote of the MHCC and will delay the enforcement of the October 1, 2014, Memorandum until the publication of a final rule concerning the RV exemption.

HUD requests that the third party inspection agencies forward this memorandum to their manufacturer clients and that RVIA forward it to their members. Any questions may be forwarded to the Office of Manufactured Housing Programs at 202-708-6423.

Attachment

## **DEFINING THE DIFFERENCES FOR “Tiny Homes” AND OTHER TYPES OF DWELLINGS**

- **“TINY HOMES”**: A Tiny Home is a term that has come to signify a structure that has been built, in most cases, to no particular recognized Code by either do-it-yourself builders or by business entities and has not been inspected by any recognized inspection agency. One organization that has sprung up from this wave of alternative housing is the “American Tiny Home Association”. They have guidelines on their website for Tiny Home construction based on NFPA 1192 (Standard on Recreational Vehicles) with their association’s specified exceptions. They state on their website that a Tiny Home is “legally” a **recreation vehicle**. The Manufactured Building Division of NCDOT interpret these units as **recreational vehicles** and should remain **mobile** and **not placed on a permanent foundation**.

See memo regarding Tiny Homes or Recreational Park Trailers on NCDOT website

[http://www.ncdot.com/OSFM/Manufactured\\_Building.aspx](http://www.ncdot.com/OSFM/Manufactured_Building.aspx)

Additions are sometimes added without permits or inspections



Note the stairs and railings for lofts in this “Tiny Home”



“Tiny Homes” that do not have a modular or HUD label should be considered RV’s. If they have an RVIA label they should be treated as a “Recreational Park Trailer”.





But this industry shift represents safety issues...



What Code issues do you see?



What about code issues here?



# New NC Residential Code Section

## R328 Lofts

- Not Fully Approved, As Yet
- Approved by BBC
- Must be Reviewed and Approved by the OAH Rules Review Commission
- March 2019 Meeting
- Applies to NC Residential Code Homes (R328)
- Addresses Small Loft Construction
- May also use this provision in the Code for Site Built or Modular Homes of ANY SIZE

### **Section R328**

#### **Lofts**

**R328.1 Minimum loft area and dimensions.** *Lofts used as a sleeping or living space shall meet the minimum area and dimension requirements of Sections R328.1.1 through R328.1.4.*

**R328.1.1 Minimum area.** *Lofts shall have floor area of not less than 35 square feet (3.25 m<sup>2</sup>).*

**R328.1.2 Maximum area.** *Lofts shall have a floor area not greater than 70 square feet (6.50 m<sup>2</sup>).*

**R328.1.3 Minimum dimensions.** *Lofts shall not be less than 5 feet (1524 mm) in any horizontal dimension.*

**R328.1.4 Height effect on loft area.** *Portions of a loft with a sloping ceiling measuring less than 3 feet (914 mm) from the finished floor to the finished ceiling shall not be considered as contributing to the minimum required area for the loft.*

**Exception:** *Under gable roofs with a minimum slope of 6 units vertical in 12 units horizontal (50-percent slope) portions of a loft with a sloped ceiling measuring less than 16 inches (406 mm) from the finished floor to the finished ceiling shall not be considered as contributing to the minimum required area for the loft.*

**R328.2 Loft access.** *The access to and primary egress from lofts shall be any type described in Sections R328.2.1 through R328.2.4.*

**R328.2.1 Stairways.** *Stairways accessing lofts shall comply with this code or with Sections R328.2.1.1 through R328.2.1.5.*

**R328.2.1.1 Width.** *Stairways accessing a loft shall not be less than 17 inches (432 mm) in clear width at or above the handrail. The minimum below the handrail shall be not less than 20 inches (508 mm).*

**R328.2.1.2 Headroom.** *The headroom in stairways accessing a loft shall be not less than 6 feet 2 inches (1880 mm), as measured vertically, from a sloped line connecting the tread or landing platform nosings in the middle of their width.*

**R328.2.1.3 Treads and Risers.** *Risers for stairs accessing a loft shall be not less than 7 inches (178 mm) and not more than 12 inches (305 mm) in height. Tread depth and riser height shall be calculated in accordance with one of the following formulas:*

- 1. The tread depth shall be 20 inches (508 mm) minus 4/3 of the riser height, or*



## **Park Model Recreational Vehicle**

- **4th Type of Housing**

Also Called:

- **Park Model**
- **Park Model RV**
- **Recreational Park Trailer**



- How do we standardize safety and what is the scope?



Many Tiny Homes are Built in an Individual's Backyard or Garage with no verification of Code Compliance or Life Safety Issues















# Actual Case Study....



Can the unit be removed easily? Are we worried about flood zones?







How do you handle a permanent appliance for a temporary building?



How about the tongue?



What about other connections for a less-than-permanent home?



# What about separation distances?



The separation distances are getting more difficult.....



How do we address safe construction?



What about need for permits?



How are other accessory structures handled?



Here is another example of either Park Model Homes or Tiny Homes placed on Permanent or Semi-Permanent Foundations

Will they evolve into a full-fledged dwelling or can they be classified as temporary? Notice spacing for fire separation.



# Exceptions you may encounter;

- Session Law 2014-94

## GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2013

### SESSION LAW 2014-94 HOUSE BILL 625

#### AN ACT RELATING TO ZONING PROVISIONS FOR TEMPORARY HEALTH CARE STRUCTURES.

The General Assembly of North Carolina enacts:

**SECTION 1.** Part 3 of Article 18 of Chapter 153A of the General Statutes is amended by adding a new section to read:

**"§ 153A-341.3. Zoning of temporary health care structures.**

A county exercising powers under this Article shall comply with G.S. 160A-383.5."

**SECTION 2.** Part 3 of Article 19 of Chapter 160A of the General Statutes is amended by adding a new section to read:

**"§ 160A-383.5. Zoning of temporary health care structures.**

(a) The following definitions apply in this section:

- (1) Activities of daily living. – Bathing, dressing, personal hygiene, ambulation or locomotion, transferring, toileting, and eating.
- (2) Caregiver. – An individual 18 years of age or older who (i) provides care for a mentally or physically impaired person and (ii) is a first or second degree relative of the mentally or physically impaired person for whom the individual is caring.
- (3) First or second degree relative. – A spouse, lineal ascendant, lineal descendant, sibling, uncle, aunt, nephew, or niece and includes half, step, and in-law relationships.
- (4) Mentally or physically impaired person. – A person who is a resident of this State and who requires assistance with two or more activities of daily living as certified in writing by a physician licensed to practice in this State.
- (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 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.

(b) A city shall consider a temporary family health care structure used by a caregiver in providing care for a mentally or physically impaired person on property owned or occupied by the caregiver as the caregiver's residence as a permitted accessory use in any single-family residential zoning district on lots zoned for single-family detached dwellings.

(c) A city shall consider a temporary family health care structure used by an individual who is the named legal guardian of the mentally or physically impaired person a permitted accessory use in any single-family residential zoning district on lots zoned for single-family detached dwellings in accordance with this section if the temporary family health care structure is placed on the property of the residence of the individual and is used to provide care for the mentally or physically impaired person.

(d) Only one temporary family health care structure shall be allowed on a lot or parcel of land. The temporary family health care structures under subsections (b) and (c) of this section shall not require a special use permit or be subjected to any other local zoning requirements beyond those imposed upon other authorized accessory use structures, except as otherwise provided in this section. Such temporary family health care structures shall comply with all setback requirements that apply to the primary

# NCGS § 160A-383.5 (153A-341.5)

## § 160A-383.5. Zoning of temporary health care structures.

- (a) The following definitions apply in this section:
- (1) Activities of daily living. – Bathing, dressing, personal hygiene, ambulation or locomotion, transferring, toileting, and eating.
  - (2) Caregiver. – An individual 18 years of age or older who (i) provides care for a mentally or physically impaired person and (ii) is a first or second degree relative of the mentally or physically impaired person for whom the individual is caring.
  - (3) First or second degree relative. – A spouse, lineal ascendant, lineal descendant, sibling, uncle, aunt, nephew, or niece and includes half, step, and in-law relationships.
  - (4) Mentally or physically impaired person. – A person who is a resident of this State and who requires assistance with two or more activities of daily living as certified in writing by a physician licensed to practice in this State.
  - (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 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.

**NOTE:** In order to comply with **G.S. 143-139.1(b)**, temporary health care structures **must be constructed under the NC Modular Construction Program.**

So, in conclusion, what “are” and “are not” considered permanent dwellings in North Carolina?

Structures that are considered **TO BE** permanent dwellings

- Site built homes under the local LAHJ
- Modular homes with the “State of North Carolina Modular Construction “Validating Stamp”
- “HUD” Manufactured Homes with the “HUD” label

Structures that are considered **NOT TO BE** permanent dwellings

- Park Model Recreational Vehicle as defined by ANSI 119.5 labeled by RVIA (Recreational Vehicles Industry Association)
- “Tiny Homes”, if not built and labeled to the NC State Residential Code or the Federal (HUD) 24 CFR Part 3280 Codes

Both of these type structures are considered temporary and treated as a Recreational Vehicle (RV)

# Manufactured Building Division

## LIEN AGENT REQUIREMENT FOR PERMITTING

### General Statutes (Permits)

NCGS §153A-357 (Counties)  
NCGS §160A-417 (Cities and towns)

### PREVIOUS STATUTE STATUTE EFFECTIVE PRIOR TO JULY 1, 2018

*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), **for which there is a current certificate of title**, the purchase price of the manufactured home shall be excluded in determining whether the cost of the work is thirty thousand dollars (\$30,000) or more.*



# Manufactured Building Division

## LIEN AGENT REQUIREMENT FOR PERMITTING

### General Statutes

#### (Permits)

NCGS §153A-357 (Counties)

NCGS §160A-417 (Cities and towns)

### NEW AND CURRENT STATUTE

#### STATUTE EFFECTIVE JULY 1, 2018

*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 thousand dollars (\$30,000) or more.*

# Manufactured Building Division

## LIEN AGENT REQUIREMENT CALCULATION EXAMPLE:

**Purchase price** for a manufactured home including transportation and set-up: (Verify with the Purchase Agreement)

**\$80,000.00**

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**Total cost** for permitting for all work to be performed on property including the home, transportation, set-up and all other work to be done on the property (i.e., driveway, accessory buildings, decks, etc.):

**\$100,000.00**

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**Lien Agent Requirement calculation:**

**\$100,000.00 minus \$80,000.00 equals \$20,000.00**

Since \$20,000.00 falls below the \$30,000.00 threshold for providing the name of a lien agent, a lien agent nor a current certificate of title **would not be required** to procure a permit.

# Manufactured Building Division

## Modular Building Permits

### NCGS § 87-1 (a)

#### ("General contractor" defined; exceptions.)

*(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 thousand dollars (\$30,000) 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.*



# Manufactured Building Division

## Modular Building Permits

### NCGS § 143-139.1 (a)

(“Certification of manufactured buildings, structures or components by recognized independent testing laboratory; minimum standards for modular homes.”)

*The Building 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 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 State Building Code governing installation of modular buildings.*



# Manufactured Building Division

## Some Links of Interest

NC General Assembly General Statute Table of Contents:

<https://www.ncleg.gov/Laws/GeneralStatutesTOC>

NCDOI/Manufactured Building Division:

[http://ncdoi.com/OSFM/Manufactured\\_Building.aspx](http://ncdoi.com/OSFM/Manufactured_Building.aspx)

HUD (U.S. Dept. of Housing and Urban Development):

[https://www.hud.gov/program\\_offices/housing/rmra/mhs/mhshome](https://www.hud.gov/program_offices/housing/rmra/mhs/mhshome)

Modular Bond Form:

[http://www.ncdoi.com/OSFM//Manufactured\\_Building/Documents/Memos\\_Modular/North%20Carolina%20Modular%20Bond%20Form\\_.pdf](http://www.ncdoi.com/OSFM//Manufactured_Building/Documents/Memos_Modular/North%20Carolina%20Modular%20Bond%20Form_.pdf)

NCDEQ Abandoned Manufactured Homes (AMH) Grant Program:

<https://deq.nc.gov/conservation/recycling/abandoned-manufactured-homes/amh-grant-program>

AMH Grant Program Guidelines:

[https://files.nc.gov/ncdeq/AMH%20Grant%20Program%20RFP\\_0.pdf](https://files.nc.gov/ncdeq/AMH%20Grant%20Program%20RFP_0.pdf)



# MODULAR SURETY BOND MEMO



## MANUFACTURED BUILDING

Toll free 800.587.2716 Tel 919.647.0000 Fax 919.715.0067

MIKE CAUSEY, INSURANCE COMMISSIONER & STATE FIRE MARSHAL  
BRIAN TAYLOR, ASSISTANT STATE FIRE MARSHAL

### MEMORANDUM

**DATE:** July 25, 2012 (Updates July 14, 2009 memo)  
**TO:** Code Enforcement Officials and Other Interested Parties  
**FROM:** Alan D. Greene, P.E.,  
Chief Building Code Consultant  
Manufactured Building Division  
**SUBJECT:** \$5,000 Modular Surety Bonds

The Manufactured Building Division of the NC Department of Insurance has been asked to explain the scope of building activities permissible under **NC G.S. §143-139.1**. Our response is as follows:

**NC G.S. §143-139.1** provides in part:

*The Building 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 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 State Building Code governing installation of modular buildings.*

If someone undertakes to erect a modular building, but is not licensed as a general contractor pursuant to **NC G.S. §87-1**, he must provide the local building official with a \$5,000 surety bond for each modular building to be erected. This bond shall remain in full force and effect for one year following the issuance of the certificate of compliance for the modular building. The modular building must be erected according to the manufacturer's installation instructions and any applicable provisions of the State Building Code.

It is the interpretation of the Manufactured Building Division of the Department of Insurance that **NC G.S. §143-139.1** only applies to the set-up and installation of the modular unit itself. The only permissible building activity, other than the construction of the foundation for the modular unit, is the setting and field connections of the labeled manufactured modular unit. **NC G.S. §143-139.1** does not apply to additional activities such as site-built additions to the modular building, accessory structures on the same property, and installation of ancillary equipment. Examples of these additional construction activities include porches, site built garages, decks, driveways, septic systems, etc. If the cost of these additional activities meets or exceeds the thirty thousand dollar (\$30,000) limit established by **NC G.S. §87-1**, then a general contractor's license will be required. In any case, these activities are not included in the scope of the modular surety bond.

### OFFICE OF STATE FIRE MARSHAL

1202 MAIL SERVICE CENTER | RALEIGH, NC 27699-1202 | [WWW.NCDOI.COM/OSFM](http://WWW.NCDOI.COM/OSFM)

# MODULAR SURETY BOND FORM

## NORTH CAROLINA MODULAR BUILDING SET-UP CONTRACTOR LICENSE BOND

WE, \_\_\_\_\_, as principal, known at \_\_\_\_\_ and \_\_\_\_\_, (Surety) or \_\_\_\_\_ (address), a corporation incorporated under the laws of the State of \_\_\_\_\_, and my license to conduct a surety business in the State of North Carolina as surety, are indebted and bound to the \_\_\_\_\_ (city or county inspection department) in the sum of five thousand (\$5,000) dollars for which payment we bind ourselves and our legal representatives jointly and severally.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the principal has entered into a contract for the set-up and installation of the modular building described here:

NOW, THEREFORE, if the principal and all his agents and employees shall set-up and install said modular building in accordance with the regulations of the North Carolina State Building Code governing installation of modular buildings, then this obligation shall be null and void; otherwise, it shall be in full force and effect.

It is expressly provided that:

1. This bond is executed by the said principal and surety to enable the principal to set-up one North Carolina labeled modular building.

2. This bond is in full force and effect as to the above State Building Code obligations of the principal for the set-up of one North Carolina labeled modular building at the following address:

Street: \_\_\_\_\_

City: \_\_\_\_\_, North Carolina

3. This bond will remain in full force and effect for one year following the issuance of the certificate of compliance for the modular building.

4. This bond must remain on file with the \_\_\_\_\_ (city or county inspection dept.).

5. The owner of the modular building described in paragraph 2, who sustains any loss or damage by reason of any act or omission covered by this bond may, in addition to any other remedy that he may have, bring an action in his own name on this bond for the recovery of damages sustained by him.

6. It is further understood and agreed that this bond shall be open to successive claims up to the face value of the bond. The surety shall not be liable for successive claims in excess of the bond amount, regardless of the number of claims made against the bond.

In Witness Whereof, the above bounden parties have executed this instrument under their several seals this the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by an authorized representative pursuant to authority of its governing body.

\_\_\_\_\_  
Signature of Principal

\_\_\_\_\_  
Title

Surety by \_\_\_\_\_  
(signature)

\_\_\_\_\_  
(printed name)

Title \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_  
N.C. Resident Agent

\_\_\_\_\_  
Address

Power of Attorney Attached

# Manufactured Building Division

**QUESTIONS?**

