

*Manufactured Building*

Wayne Goodwin | Commissioner of Insurance

Tim Bradley | 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.