

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL 376
PROPOSED COMMITTEE SUBSTITUTE S376-PCS35261-TG-14

Short Title: Expanding Members' Access to HOA Records.

(Public)

Sponsors:

Referred to:

March 28, 2023

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW MEMBERS OF UNIT OWNERS' ASSOCIATIONS AND LOT
3 OWNERS' ASSOCIATIONS TO INSPECT AND COPY ANY CONTRACTS BETWEEN
4 THEIR ASSOCIATION AND A MANAGING AGENT.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 47C-3-118 reads as rewritten:

7 "§ 47C-3-118. Association records.

8 (a) The association shall keep financial records sufficiently detailed to enable the
9 association to comply with this chapter. All financial and other records, including records of
10 meetings of the association and executive board, shall be made reasonably available for
11 examination by any unit owner and the unit owner's authorized agents as required by the bylaws
12 and by Chapter 55A of the General Statutes if the association is a nonprofit corporation. If the
13 bylaws do not specify particular records to be maintained, the association shall keep accurate
14 records of all cash receipts and expenditures and all assets and liabilities. In addition to any
15 specific information that is required by the bylaws to be assembled and reported to the unit
16 owners at specified times, the association shall make an annual income and expense statement
17 and balance sheet available to all unit owners at no charge and within 75 days after the close of
18 the fiscal year to which the information relates. Notwithstanding the bylaws, a more extensive
19 compilation, review, or audit of the association's books and records for the current or immediately
20 preceding fiscal year may be required by a vote of the majority of the executive board or by the
21 affirmative vote of a majority of the unit owners present and voting in person or by proxy at any
22 annual meeting or any special meeting duly called for that purpose.

23 (a1) A unit owner or the unit owner's authorized agent is entitled to inspect and copy, at a
24 reasonable time and location specified by the association, any contract entered into by the
25 association authorizing a managing agent to exercise any of the powers granted to the association
26 pursuant to G.S. 47C-3-102, if the unit owner gives the association written notice of the demand
27 at least five business days before the date on which the unit owner wishes to inspect and copy.

28 (b) The association, upon written request, shall furnish a unit owner or the unit owner's
29 authorized agents a statement setting forth the amount of unpaid assessments and other charges
30 against a unit. The statement shall be furnished within 10 business days after receipt of the request
31 and is binding on the association, the executive board, and every unit owner. The association, its
32 managers, or its agents may charge a reasonable fee for providing statements of unpaid
33 assessments and other charges, not to exceed two hundred dollars (\$200.00) per statement or
34 request, and an additional expedite fee in an amount not to exceed one hundred dollars (\$100.00)
35 if the request is made within 48 hours of closing.



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1 (c) In addition to the limitations of Article 8 of Chapter 55A of the General Statutes, no
2 financial payments, including payments made in the form of goods and services, may be made
3 to any officer or member of the association's executive board or to a business, business associate,
4 or relative of an officer or member of the executive board, except as expressly provided for in
5 the bylaws or in payments for services or expenses paid on behalf of the association which are
6 approved in advance by the executive board."

7 **SECTION 2.** G.S. 47F-3-118 reads as rewritten:

8 "**§ 47F-3-118. Association records.**

9 (a) The association shall keep financial records sufficiently detailed to enable the
10 association to comply with this Chapter. All financial and other records, including records of
11 meetings of the association and executive board, shall be made reasonably available for
12 examination by any lot owner and the lot owner's authorized agents as required in the bylaws and
13 Chapter 55A of the General Statutes. If the bylaws do not specify particular records to be
14 maintained, the association shall keep accurate records of all cash receipts and expenditures and
15 all assets and liabilities. In addition to any specific information that is required by the bylaws to
16 be assembled and reported to the lot owners at specified times, the association shall make an
17 annual income and expense statement and balance sheet available to all lot owners at no charge
18 and within 75 days after the close of the fiscal year to which the information relates.
19 Notwithstanding the bylaws, a more extensive compilation, review, or audit of the association's
20 books and records for the current or immediately preceding fiscal year may be required by a vote
21 of the majority of the executive board or by the affirmative vote of a majority of the lot owners
22 present and voting in person or by proxy at any annual meeting or any special meeting duly called
23 for that purpose.

24 (a1) A lot owner or the lot owner's authorized agent is entitled to inspect and copy, at a
25 reasonable time and location specified by the association, any contract entered into by the
26 association authorizing a managing agent to exercise any of the powers granted to the association
27 pursuant to G.S. 47F-3-102, if the lot owner gives the association written notice of the demand
28 at least five business days before the date on which the lot owner wishes to inspect and copy.

29 (b) The association, upon written request, shall furnish to a lot owner or the lot owner's
30 authorized agents a statement setting forth the amount of unpaid assessments and other charges
31 against a lot. The statement shall be furnished within 10 business days after receipt of the request
32 and is binding on the association, the executive board, and every lot owner. The association, its
33 managers, or its agents may charge a reasonable fee for providing statements of unpaid
34 assessments, not to exceed two hundred dollars (\$200.00) per statement or request, and an
35 additional expedite fee in an amount not exceeding one hundred dollars (\$100.00) if the request
36 for a statement is made within 48 hours of closing.

37 (c) In addition to the limitations of Article 8 of Chapter 55A of the General Statutes, no
38 financial payments, including payments made in the form of goods and services, may be made
39 to any officer or member of the association's executive board or to a business, business associate,
40 or relative of an officer or member of the executive board, except as expressly provided for in
41 the bylaws or in payments for services or expenses paid on behalf of the association which are
42 approved in advance by the executive board."

43 **SECTION 3.** This act is effective when it becomes law.