



This Bill Analysis reflects the contents of the bill as it was presented in committee.

# HOUSE BILL 882: Comm. Mgr. Licensing & Planned Comm. Act Chgs

2015-2016 General Assembly

<b>Committee:</b>	House Judiciary II, if favorable, Finance	<b>Date:</b>	June 23, 2015
<b>Introduced by:</b>	Reps. Jordan, R. Moore, Iler	<b>Prepared by:</b>	Susan Sitze
<b>Analysis of:</b>	PCS to First Edition H882-CSSA-73		Committee Counsel

**SUMMARY:** *The Proposed Committee Substitute (PCS) for House Bill 882 would make various changes to the North Carolina Planned Community Act.*

**CURRENT LAW:** The North Carolina Planned Community Act is contained in Chapter 47F of the General Statutes and, with limited exception, applies to all planned communities created on or after January 1, 1999 and planned communities created before that date that have chosen for the Act to apply to their community.

### BILL ANALYSIS:

**Section 1** would add a new G.S. 47F-2-105 setting forth required contents of the declaration that creates a planned community and listing 14 specific items that must be included.

**Section 2** would amend G.S. 47F-2-117, Amendment of declaration, to make the following changes:

- Provide that an association cannot require more than an 80% majority vote to amend the declaration.
- Extend the time period to challenge the validity of an amendment from one year to three years.
- Clarify that amendments are not presumed valid and enforceable if they conflict with the requirements of the Planned Community Act or violate specific provisions of the Act.

**Section 3** would amend G.S. 47F-3-118, Association records, to specifically list 10 types of records that must be kept by the association and must be made available for inspection and copying by a lot owner unless they meet a stated exception. Failure to provide access to records would entitle the lot owner to \$10 per day that access is denied. The requestor would be required to give 10 days' written notice of the request and there would be eight specific types of information that would be exempt from the requirement.

The association would be required to make an annual income and expense statement and balance sheet available to all lot owners at no charge and within 75 days after the close of the fiscal year. A more extensive compilation, review, or audit of the association's books and records for the current or immediately preceding fiscal year could be required by a vote of the majority of the executive board or a majority of the lot owners present and voting in person or by proxy at an annual meeting or a special meeting called specifically for that purpose.

**EFFECTIVE DATE:** This act becomes effective July 1, 2016. Nothing in this act shall be construed as applicable to or affecting any pending litigation.

O. Walker Reagan  
Director



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