



SENATE BILL 326: Local Gov'ts/Bldgs/Structures/Inspections.

2016-2017 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	June 29, 2016
Introduced by:	Sens. Gunn, Meredith, Apodaca	Prepared by:	Amy Darden
Analysis of:	PCS to First Edition S326-CSSU-54		Committee Co-Counsel

SUMMARY: *The PCS for Senate Bill 326 makes changes to the law governing county and city inspection of residential structures.*

CURRENT LAW: Under current law, (G.S.153A-364 and G.S.160A-424) county or city inspection departments are authorized to make periodic inspections of residential structures in the following circumstances:

- When there is reasonable cause to believe that unsafe, unsanitary, or otherwise hazardous or unlawful conditions may exist in a residential building or structure.
- In a county or city designated target area with a plan for improvements.

In addition, current law:

- prohibits counties and cities from requiring a permit to lease or rent residential property, unless the units that have a history violations of housing ordinances or codes, or crime or disorder problems.
- authorizes counties and cities to levy a fee for residential property registration only for those rental units with 2 or more violations of housing ordinances or codes within a 12 month period, or in the top 10% of properties with crime or disorder problems.

BILL ANALYSIS: The PCS for Senate Bill 326 amends county and city authority to inspect residential structures to:

- Revise the authority for residential "periodic inspections" to "inspections".
- Change the definition of reasonable cause for inspection to properties with 4 verified violations of housing codes or ordinances within a rolling 12-month period.
- Prohibit inspection departments from discriminating between owner-occupied and tenant-occupied buildings in conducting residential inspections.
- Require residential inspections conducted as part of a targeted effort in a designated area to be in response to blighted or potentially blighted conditions, and limit the total targeted areas to one square mile or 5% of the county, whichever is greater.
- Prohibit registration of rental property, except for individual rental units with more than four verified violations in a 12-month period, or property identified in the top 10% of property with crime and disorder problems.

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- Provide that the general prohibition on any requirement for a residential rental property permit, other than for those units with specified and verified code or crime problems, also includes a prohibition of a registration requirement.
- Limit registration fee requirements to individual units; limit registration fees to \$500, prohibit criminalizing violation of registration requirements; prohibit requiring any owner or manager of rental property to submit to an inspection before receiving any utility service provided by the county.
- Define "verified violation" to mean all violations in a unit in a 72 hour period, and violations uncorrected in a 21 day period after receipt of written notice, and that initiation of summary ejectment constitutes a correction of a violation. A third or subsequent violation in a 12 month period could be deemed a "verified violation" without giving the owner an opportunity to correct it.
- Provide that if a property is identified by the county or city as being in the top (10%) of properties with crime or disorder problems, the county or city shall notify the landlord and allow the landlord an opportunity to correct the issue.
- Require the county sheriff's department or city police, as applicable, to assist the landlord in addressing any criminal activity. If the county sheriff or city police, as applicable, does not cooperate in evicting a tenant, the tenant's behavior or activity shall not be counted as a crime or disorder problem.
- Provide that if the county or city takes action against an individual rental unit, the owner of the individual rental unit may appeal the decision to the housing appeals board, or the planning board, or if neither is created, the county or city manager, as applicable.

EFFECTIVE DATE: This act is effective when it becomes law.

Staff Attorney Giles Perry substantially contributed to this summary.