



# HOUSE BILL 594: HOAs- Leased Properties.

2019-2020 General Assembly

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<b>Committee:</b>	House Judiciary. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	April 15, 2019
<b>Introduced by:</b>	Reps. K. Hall, Howard, D. Hall, Richardson	<b>Prepared by:</b>	Brad Krehely
<b>Analysis of:</b>	First Edition		Committee Co-Counsel

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**OVERVIEW:** *House Bill 594 amends the Planned Community Act to provide that notwithstanding any provision in any declaration or bylaws, a restriction or limitation on the ability of a lot owner to lease a lot within the planned community will not be effective if the restriction or limitation was not in effect at the time the owner acquired legal title to the lot.*

**CURRENT LAW:** Chapter 47F of the General Statutes is the North Carolina Planned Community Act.

A declaration means any instruments, however denominated, that create a planned community and any amendments to those instruments. G.S. 47F-1-103(10). A declaration creating a planned community must be executed in the same manner as a deed and must be recorded in every county in which the planned community is located. G.S. 47F-2-101.

In general, the declaration may be amended only by affirmative vote or written agreement signed by lot owners of lots to which at least 67% of the votes in the association are allocated, or any larger majority the declaration specifies or by the declarant if necessary for the exercise of any development right. The declaration may specify a smaller number only if all of the lots are restricted exclusively to nonresidential use. G.S. 47F-2-117.

The declaration, bylaws, and articles of incorporation are generally enforceable by their terms. G.S. 47F-1-104 (a). Unless the articles of incorporation or the declaration expressly provides to the contrary, the association may adopt and amend bylaws and rules and regulations. G.S. 47F-3-102. The bylaws of the association must provide for the method of amending the bylaws. G.S. 47F-3-106(a)(6).

**BILL ANALYSIS:** House Bill 594 allows lot owners to continue to lease lots in planned communities if the declaration or bylaws are subsequently amended to restrict or limit leasing of property in the planned community.

**EFFECTIVE DATE:** The act is effective when it becomes law and applies to planned community declarations and bylaws amended on or after that date.

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