



# HOUSE BILL 595: Rental Inspections.

2023-2024 General Assembly

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<b>Committee:</b>	House Local Government. If favorable, re-refer to Regulatory Reform. If favorable, re-refer to Judiciary 1. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	April 25, 2023
<b>Introduced by:</b>	Rep. Ward	<b>Prepared by:</b>	Nicholas Giddings Anna Parsons Staff Attorneys
<b>Analysis of:</b>	First Edition		

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**OVERVIEW:** *House Bill 595 would authorize local governments to require registration and permitting of residential rental properties with more than two verified violations in a rolling 12-month period, and to levy a registration fee for certain rental properties required to register.*

**CURRENT LAW:** Article 12 of Chapter 160D authorizes local governments to adopt a minimum housing code to ensure dwellings are fit for human habitation. This includes local government authority to establish residential rental property inspection, permit, and registration programs. However, G.S. 160D-1207(c) limits the authority of local governments to regulate residential property rentals by prohibiting, among other things, the following:

- The adoption of any ordinance requiring an owner or manager to obtain a permit from the local government to lease or rent residential property or any ordinance requiring an owner or manager to register rental property with the local government, except for:
  - Individual properties with more than four verified violations in a rolling 12-month period.
  - Individual properties with two or more verified violations in a rolling 30-day period.
  - Properties identified within the top 10% of properties with crime or disorder problems as set forth in local ordinance.
- Levying a special fee or tax on residential rental property that is not also levied against other commercial and residential properties, unless either of the following apply:
  - There is an express authorization by law to levy a special fee or tax.
  - The special fee or tax does not exceed five hundred dollars (\$500.00) in any 12-month period in which a unit or property is found to have verified violations and only applies to the following properties:
    - ✓ Those with more than four verified violations in a rolling 12-month period.
    - ✓ Those with two or more verified violations in a rolling 30-day period.
    - ✓ Those identified within the top 10% of properties with crime or disorder problems.

**BILL ANALYSIS:** House Bill 595 would modify G.S. 160D-1207(c) to give local governments the authority to require an owner or manager of rental property with more than two verified violations in a

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# House Bill 595

*Page 2*

rolling 12-month period to register the rental property with the local government and to obtain a permit to lease or rent the residential property.

Additionally, House Bill 595 would grant local governments the authority to levy a fee for residential rental property registration for the following properties:

- Those with more than two verified violations within the previous 12 months.
- Those identified as being within the top 10% of properties with crime or disorder problems.

The fee shall be an amount that covers the cost of operating the residential registration program and shall not be used to supplant revenue in other areas.

**EFFECTIVE DATE:** This act would be effective when it becomes law and apply to verified violations occurring on or after that date.