



# SENATE BILL 445: Recording of Court-Filed Documents.

2023-2024 General Assembly

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<b>Committee:</b>		<b>Date:</b>	December 31, 2024
<b>Introduced by:</b>		<b>Prepared by:</b>	Michael Johnston Staff Attorney
<b>Analysis of:</b>	S.L. 2024-54		

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**OVERVIEW:** *S.L. 2024-54 does the following:*

- *Exempts any certified copy of a court-filed document from formatting requirements applicable to paper documents presented to a register of deeds for registration.*
- *Begins the small claims appeal period when a judgment is rendered.*
- *Requires written findings of indigency in small claims appeals.*
- *Modifies criteria for plaintiff's motion to dismiss summary ejectment appeal.*
- *Requires the clerk to disburse certain payments made during summary ejectment appeal within five days of request.*
- *Increases punishment for willful and wanton damage to the residential real property of another.*
- *Prohibits fraudulent rental, lease, or advertisement for sale of residential real property.*

*This bill was vetoed by the Governor on July 8, 2024, and that veto was overridden by the General Assembly on November 19, 2024. This act has various effective dates. Please see the full summary for more detail.*

## CURRENT LAW AND BILL ANALYSIS:

### PART I. ALLOW CERTIFIED COPIES OF COURT-FILED DOCUMENTS FOR REGISTER OF DEEDS

Pursuant to G.S. 161-14(b), instruments presented to a register of deeds for registration on paper, other than financing statements and amendments conforming to the requirements of Article 9 of the Uniform Commercial Code, must meet the following formatting requirements:

- Be eight and one-half inches by eleven inches or eight and one-half inches by fourteen inches.
- Have a blank margin of three inches at the top of the first page and blank margins of at least one-half inches on the remaining sides of the first page and on all sides of subsequent pages.
- Be typed or printed in black on white paper in a legible font. A font size no smaller than nine points is considered legible. Blanks in an instrument can be completed in pen and corrections to an instrument can be made in pen.
- Have text typed or printed on one side of a page only.

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- State the type of instrument at the top of the first page.

Instruments not meeting these requirements can be registered only after paying a \$25 fee for nonstandard documents in addition to all other applicable recording fees. If the instrument's only noncompliance is having a font size smaller than nine points, it can be registered without payment of the fee if, in the discretion of the register of deeds, the instrument is legible.

In accordance with Rule 5(c) and Rule 5.1(c) of the General Rules of Practice for the Superior and District Courts, paper documents filed with the court must be unfolded and firmly bound with no manuscript cover, and except for wills and exhibits, must be letter size (eight and one-half inches by eleven inches).

**Section 1** exempts any certified copy of a court-filed document from the formatting requirements applicable to paper documents presented for registration to a register of deeds.

Section 1 became effective November 19, 2024, and applies to instruments presented for registration on or after that date.

## **PART II. ESTABLISH THE SMALL CLAIMS APPEAL PERIOD BEGINNING WHEN A JUDGMENT IS RENDERED**

**Section 2(a)** authorizes a magistrate to render judgment in a small claim action electronically or in a writing signed by the magistrate.

**Section 2(b)** amends provisions prescribing the start time for the appeal period in a small claim action to refer to the time when a judgment is rendered rather than to the time when the judgment is entered by the magistrate.

This act provides that Section 2 of this act becomes effective October 1, 2025, and applies to judgments rendered on or after that date. However, Section 9 of S.L. 2024-47 enacted provisions that are substantively identical to Section 2 of this act, and Section 9 of S.L. 2024-47 became effective October 1, 2024. Consequently, these provisions became effective October 1, 2024, and apply to judgments rendered on or after that date.

## **PART III. REQUIRE WRITTEN FINDINGS OF INDIGENCY IN SMALL CLAIMS APPEALS, MODIFY CRITERIA FOR PLAINTIFF'S MOTION TO DISMISS SUMMARY EJECTMENT APPEAL, AND REQUIRE THE CLERK TO DISBURSE PAYMENTS WITHIN FIVE DAYS OF A REQUEST**

**Section 3** amends the process to appeal a decision of the magistrate in small claims court as follows:

- Provides that a judge, magistrate, or clerk authorizing a person to appeal a small claims judgment to district court as an indigent must make written findings of criteria, information, or evidence used to determine indigency.
- Modifies the criteria for a plaintiff to file a motion to dismiss a defendant's appeal of a small claims summary ejectment judgment to allow the motion if the defendant fails to raise a defense in small claims court and either: (i) fails to file a motion, answer, or counterclaim in the district court or (ii) fails to comply with the appeal bond requirements for summary ejectment.

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- Requires magistrate's judgments in summary ejectment proceedings to include an order to the clerk to compel payment within five business days of request of (i) ongoing rental payments made during appeal and (ii) if the appeal has been resolved, any remaining undisbursed funds.

Section 3 became effective October 1, 2024, and applies to judgments rendered on or after that date.

## **PART IV. INCREASE PUNISHMENT FOR WILLFUL AND WANTON DAMAGE TO THE RESIDENTIAL REAL PROPERTY OF ANOTHER**

**Section 4** increases the penalty for willful and wanton injury to residential real property from a Class 1 misdemeanor to a Class I felony if the conduct results in damages valued at \$1,000 or more.

Section 4 became effective December 1, 2024, and applies to offenses committed on or after that date.

## **PART V. PROHIBIT FRAUDULENT RENTAL, LEASE, OR ADVERTISEMENT FOR SALE OF RESIDENTIAL REAL PROPERTY**

**Section 5** enacts a new G.S. 14-117.8 as follows:

- Creates a Class H felony for renting or leasing residential real property to a person without lawful ownership in the property or leasehold interest in the property.
- Creates a Class I felony for advertising residential real property for sale when the purported seller has no legal title or authority to sell the property.

Section 5 became effective December 1, 2024, and applies to offenses committed on or after that date.

**EFFECTIVE DATE:** This bill was vetoed by the Governor on July 8, 2024, and that veto was overridden by the General Assembly on November 19, 2024. Except as otherwise provided, this act became effective November 19, 2024.

*\* Susan Sitze and Bill Patterson, Staff Attorneys, substantially contributed to this summary.*