



HOUSE BILL 444: Homeowners Association Reform Bill.

2025-2026 General Assembly

Committee:	House Housing and Development. If favorable, re-refer to Commerce and Economic Development. If favorable, re-refer to Judiciary 1. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 16, 2025
Introduced by:	Reps. Liu, Iler	Prepared by:	Howard Marsilio
Analysis of:	PCS to First Edition H444-CSBG-6		Staff Attorney

OVERVIEW: *The Proposed Committee Substitute (PCS) to House Bill 444 would make various revisions to the laws related to the North Carolina Condominium Act and the North Carolina Planned Community Act.*

- The PCS specifically amends the bill to remove music lessons as an activity for which no fines may be levied, to remove the requirement that certain proposed budget increases require approval by a majority of owners, to remove civil penalty and forfeiture provisions, and to make various technical corrections.

CURRENT LAW:

Chapter 47C, the North Carolina Condominium Act (NCCA), and Chapter 47F, the North Carolina Planned Community Act (NCPCA), of the General Statutes outline the laws that relate to the creation of associations, the authorities of those associations, and the regulation of lot and unit owners under the jurisdiction of those associations.

BILL ANALYSIS:

Section 1 and Section 2 would clarify that declaration amendments pursuant to the requirements of the NCCA and NCPCA would only be effective against unit or lot owners that take ownership of that unit or lot after the effective date of the amendment to the declaration.

Section 3 would amend various powers of an association created pursuant to the NCCA that relate to management agent contracts, street parking, fine authority, record copying fees, and common element change determinations.

Section 4 would clarify that budgets ratified pursuant to the requirements of the NCCA and NCPCA would not be subject to executive board action to increase common expense liability more than 5% without a majority of unit or lot owner approval.

Section 5 would amend and clarify provisions that relate to fines and related notice periods under the NCCA.

Section 6 would amend and clarify provisions that relate to lien enforcement for securing sums owed to an association, which would include fines levied under the NCCA.

Section 7 would amend and clarify a unit owner's rights to association financial records under the NCCA.

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Section 8 would amend various powers of an association created pursuant to the NCPA that relate to management agent contracts, street parking, fine authority, and common element change determinations.

Section 9 would amend and clarify provisions that relate to fines and related notice periods under the NCPA.

Section 10 would amend and clarify provisions that relate to lien enforcement for securing sums owed to an association, which include fines levied under the NCPA.

Section 11 would amend and clarify a unit owner's rights to association financial records under the NCPA.

Section 12 would amend and clarify laws that relate to prelitigation mediation requirements for disputes arising between owners and associations under the NCCA and NCPA, which would include an exemption for actions to collect assessments or fines, require prelitigation mediation prior to filing civil actions, and further procedural requirements for those actions.

Section 13 would direct the North Carolina Department of Justice to receive and record data from complaints concerning disputes between owners and associations under the NCCA and NCPA.

EFFECTIVE DATE: Sections 6 and 10 of this act would become effective December 1, 2025, and would apply to claims of lien filed and instruments presented for registration on or after that date.

Sections 3 and 8 would become effective when they become law, and provisions relating to managing agent compensation would apply to contracts between an association and a managing agent entered into on or after that date.

Section 12 would become effective October 1, 2025 and apply to actions filed on or after that date.

Section 13 would become effective July 1, 2025.

Except as otherwise provided, the remainder of this act would become effective when it becomes law.