



HOUSE BILL 524: Fraud Detection Alert System.

2025-2026 General Assembly

Committee:	House State and Local Government. If favorable, re-refer to Judiciary 2. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 8, 2025
Introduced by:	Reps. Kidwell, Tyson	Prepared by:	Ike McRee
Analysis of:	First Edition		Committee Co-Counsel

OVERVIEW: *House Bill 524 would require the register of deeds to ensure that registration for a fraud detection alert system is possible through an electronic registration portal. The bill would also expand conduct that constitutes an unfair trade practice to include knowingly listing or advertising residential real property by a person that has no lawful ownership or leasehold interest in the property.*

CURRENT LAW: A register of deeds is not required to establish or maintain a fraud detection alert system. If a register of deeds has reasonable suspicion that an instrument is materially false, fictitious, or fraudulent, the register of deeds can refuse to register the instrument. (G.S. 14-118.6) However, a register of deeds is not required to verify the legal sufficiency of any document presented for registration. (G.S. 47-14)

Under G.S. 14-117.8, knowingly renting or leasing residential real property to another person knowing that the renter or lessor has no lawful ownership or leasehold interest in the property is an unfair or deceptive trade practice under G.S. 75-1.1. In an action alleging an unfair or deceptive trade practice, the court can award the prevailing party a reasonable attorney fee if the court finds that (i) the offending party willfully engaged in the act or practice, and there was unwarranted refusal by the offending party to fully resolve the matter or (ii) the party instituting the action knew, or should have known, the action was frivolous or malicious. (G.S. 75-16.1) If damages are assessed in an action alleging an unfair or deceptive trade practice, judgment must be rendered in favor of the plaintiff for treble the amount of the verdict. (G.S. 75-16)

BILL ANALYSIS:

Section 1 of the bill would:

- Require the register of deeds to ensure that registration for a fraud detection alert system is possible through an electronic registration portal. A fraud detection alert system would send automated notification to a registrant that a land record associated with the registrant's monitored identity has been recorded in the office of the register of deeds.
- Require that the fraud detection alert system portal include the following features:
 - Be accessible through a direct link on the register of deeds' official website.
 - Allow a registrant to subscribe to receive recording notifications for at least five identities for each valid electronic mail address provided.
 - Include a method to unsubscribe from the system.

Kara McCraw
Director



Legislative Analysis
Division
919-733-2578

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- List a phone number at which the register of deeds office may be contacted during normal business hours.
 - Send an automated electronic mail message to a registrant confirming successful registration or action to unsubscribe from the system.
- Require that when a land record is recorded for a monitored identity, a notification must be sent within 24 hours to each registrant after the recording has been completed. The notification must contain the following:
 - Information identifying the monitored identity for which the land record was filed, the land record's recording date, and the official record book and page number or instrument number assigned to the land record by the register of deeds.
 - Instructions for electronically searching for and reviewing the land record.
 - A phone number at which the register of deeds office may be contacted during normal business hours.
- Provide immunity to the register of deeds from civil liability for the creation, maintenance, or operation of a fraud detection alert system.
- Authorize the register of deeds to charge a reasonable fee to a registrant in an amount that does not exceed the actual cost of allowing access to the fraud detection alert system.

Section 2 of the bill would:

- Amend G.S. 14-117.8 to provide that, in addition to renting or leasing, knowingly listing or advertising residential real property to another person knowing that the person soliciting the listing or advertisement has no lawful ownership or leasehold interest in the property is an unfair or deceptive trade practice.
- Provide that in an action alleging an unfair or deceptive trade practice in violation of G.S. 14-117.8, the court can allow a reasonable attorney fee without finding that there was an unwarranted refusal by the party charged with violation to fully resolve the matter constituting the basis for the action. (Under current law, if damages are assessed in an action alleging an unfair or deceptive trade practice, judgment must be rendered in favor of the plaintiff for treble the amount of the verdict. (G.S. 75-16))

EFFECTIVE DATE: Section 1 of the act would become effective October 1, 2025 and would apply to land records recorded on or after that date. Section 2 of the act would become effective October 1, 2025 and would apply to causes of action arising on or after that date. The remainder of the act would be effective when it becomes law.