

House Bill 551 – What Will This Mean for Landlords?

May 16, 2023

In my very first newsletter, I provided commentary on the recent uptick in evictions and summary ejectment proceedings in North Carolina. I went on to cover a local story involving corporate housing tenants who were pushing for legislatures to act and introduce a bill concerning rent control, hindering landlords' ability to unilaterally increase rent by imposing a rental cap. One month later, enter House Bill 551, which was filed on April 3, 2023, and sponsored by Representatives Bradford of District 98, Hardister of District 59, K. Hall of District 91, Crutchfield of District 83, F. Jackson of District 45, McNeely of District 84, Ward of District 5, and Warren of District 76. Unfortunately, it appears that legislatures are doubling down regarding their position on rent control. As stated in my March newsletter, NCGS § 42-14.1 provides that *"no county or city may enact, maintain, or enforce any ordinance or resolution which regulates the amount of rent to be charged for privately owned, single-family or multiple residential or commercial rental property."*

House Bill 551 further enforces this and introduces an act that would prohibit counties and cities from adopting ordinances, rules, and regulations that would prohibit landlords from refusing to rent to tenants because a tenant's lawful source of income to pay rent includes funding from a federal housing assistance program. The bill also addresses the regulation of support animals and service animals in residential tenancies and expands litigation costs, in summary, ejectment matters and homeowner's associations. Currently, under NCGS 42-46, landlords are able to recover some fees and costs related to the filing of a complaint in summary ejectment and, although limited, attorney's fees. The statute currently does not provide for recovery of appeals of summary ejectment matters. House Bill 551 modifies NCGS 42-64 to include the following language: *"all actual reasonable attorneys' fees paid or owned for any appeals of summary ejectment matters."* Lastly, with the addition of NCGS 42-47 regarding support and service animals, the bill also modifies NCGS 42-53, which permits landlords to charge a reasonable, nonrefundable fee for pets kept on the premises by the tenant to exclude service and support animals as defined in newly added NCGS 42-47.

House Bill 551 passed its third reading on April 27, 2023, with 87 representatives voting in favor of its passage. The bill will now be sent to the Senate. What do you think about this bill? Is this legislation necessary? Do you think the passage of this bill will have a positive or negative impact? House Bill 551 is one of many that have been filed and introduced during the 2023-2024 legislative session that addresses landlord tenant related issues.

Click on the following link to access a copy of House Bill 551: [House Bill 551 \(2023-2024 Session\) - North Carolina General Assembly \(ncleg.gov\)](https://www.ncleg.gov/Bills/2023/Bill_501-600/2023_House_Bill_551.aspx)